APPENDIX

Final Hearing — Paper No. 37

March 5, 1963 — GWB/dr

IN THE UNITED STATES PATENT OFFICE

BEFORE THE
BOARD OF PATENT INTERFERENCES

Patent Interference No. 91,812

Knowles v. Tibbetts

(Mailed May 31 1963 U.S. Patent Office)

Magnetic Translating Device

Application of Hugh S. Knowles filed April 22, 1958, Ser. No. 730,082

Application of George C. Tibbetts filed August 28, 1957, Ser. No. 680,753

Mr. Wilfred S. Stone for Knowles

Messrs. Roberts, Cushman and Grover for Tibbetts

This is an interference involving application No. 730,082, filed by Knowles the junior party on April 22, 1958, and application No. 680,753, filed by the senior party Tibbetts on August 28, 1957.

The invention involved is a transducer, more particularly, a device for converting acoustic energy into electrical energy or vice versa. That is, it may serve as either a microphone or a receiver. It is intended primarily for use in hearing aids. The class of transducers involved comprise

a magnetic system including a permanent magnet with pole pieces and a flexible reed armature fixed at one end and free to vibrate in an air gap between the pole pieces at the other end with a bendable tab projecting laterally from the fixed end for varying the reluctance of the air gap between the pole pieces at the fixed end of the reed. The object of the variation is to equalize the flux paths so that a minimum of flux passes through the reed itself. The adjustment is intended to be done after assembly and encasement of the unit when the reed itself is inaccessible, but the bendable tab can be made accessible by providing a small hole in the case adjacent thereto. The hole would be closed after the adjustment was made.

The issue comprises three counts which read as follows:

Count 1

A magnetic translating device comprising an elongate armature, means for supporting one end of the armature with the other end free to vibrate transversely of a predetermined plane, magnets extending lengthwise of the armature on the opposite sides thereof which are intersected by said plane, the poles of the magnets being directed transversely of the plane in corresponding directions, and bridges of magnetic material substantially bridging the space between the poles of the magnets on opposite sides of said plane respectively, said bridges presenting pole faces of opposite polarity to said vibratory end, said armature having a tab projecting therefrom from said one end along said plane and extending between said bridges, the tab being bendable transversely of the plane toward either of said bridges.

Count 2

An electromagnetic transducer comprising a magnet, a pole piece flux-conductively engaging each pole of the magnet, said pole pieces extending laterally of the

magnet to form a nonmagnetic gap therebetween, an elongated, flux-conductive, elastic armature, means clamping one end of said armature in non-magnetic, spaced relationship to the pole pieces in fixed position in said gap so that the other end of said armature may vibrate in another portion of said gap, there being a bending line between the clamped end and the vibratable end of the armature, and means for varying the reluctance between the pole pieces in the air gap at the fixed end of the armature.

Count 3

The electromagnetic transducer of count 2 wherein the reluctance varying means is a T-shaped armature with the clamped portion between the arms of the T which project laterally on both sides into the gap.

Both parties took testimony, filed briefs and were represented at the final hearing. As junior party, Knowles has the burden of proving priority by a preponderance of the evidence.

In his preliminary statement Knowles alleged first drawing and disclosure to others between April 15 and 30, 1953 and actual reduction to practice between April 30 and November 23, 1953. Tibbetts alleges first drawing April 3, 1956, disclosure to others March 31, 1956, first written description July 23, 1957 and reduction to practice October 15, 1956.

The record on behalf of Knowles includes the testimony of various witnesses who were employed at Industrial Research Products (hereinafter Industrial), the company of which Knowles is president and director of research, during the period in question, as well as that of Knowles himself. Knowles relies primarily on the testimony of one Cronk who had been a project engineer and later assistant chief engineer at Industrial. He left the employ of Industrial in August 1958. Among other witnesses were Ulrich who performed engineering tests including acous-

tic response and impedance checks, Pratt who investigated new designs, Carl Zapfe, who was in charge of the model shop and tool room, and Herbert Zapfe who was a model maker and toolmaker at Industrial, all of whom had left the employ of Industrial prior to the taking of testimony.

In 1953 Industrial was producing a reed microphone identified as model AH which utilized a reed of uniform width. According to Cronk a modification of this reed was suggested by Knowles which he incorporated in pencil lines on a diazo or blueprint copy of a tracing of the original reed for the AH motor (K exhibit 3). The modification comprised providing short lateral extensions on the fixed end of the reed "so that some adjustable member was available to change the effective gap length at either side of the reed." (KR 39, Q 173). Sixteen reeds were made pursuant to the proposed modification and were incorporated in AH motors. From the pencilled date 4-30-53, Cronk thought that these motors were made up within a week thereafter. He also stated that they were tested and met original expectations as a means of adjusting the magnetic balance. He did not, however, indicate what those expectations were. The proposal was not adopted for the model AH, the reason given being that the number of rejects was low enough that it was not deemed economic to introduce another adjustment step after enclosure of the unit. The straight reeds were at that time adjusted after assembly of the motor, but before enclosure in a case, by inelastic deformation of the reed adjacent its fixed end.

As to the degree of adjustment attainable Cronk stated:

> Well, the tabs themselves were completely capable of bringing the motor back on magnetic centering from most normal cases of production drift as we call it. There might be exceptions to this at times, but in terms of production feasibility it was entirely capable of doing this. (KR 49, Q 222)

Initially tests were made by Knowles and Cronk of the motor assembly, that is, of the magnetic assembly including the reed and coil. The units were then turned over to Ulrich for assembly with a diaphragm and encasement as complete acoustical models. Cronk stated further that Ulrich would test the acoustical response to obtain a "sensitivity versus frequencial volume" curve, and that they were indistinguishable from any other reed. (KR 50, 51, Q 225-229)

Ulrich testified concerning the tests he made in 1953. He referred to an entry Curve #448 in his notebook on page 47 (K exhibit 9) dated 7/24/53 as relating to an AH microphone with a T reed. He also referred to the entry identified as "Curve #652" on page 85 (K exhibit 12) and gave the date as December 11, 1953 from the date appearing on the previous page, page 83. He stated that the tests started at 300 cycles and that the apparatus went to 5,000 cycles but that the microphone responses didn't get that high. The curves themselves do not appear in the record and Ulrich could not remember just what they showed although he stated that the microphone responded (KR 220, Q 30). He testified regarding results as follows:

> RDQ 15 Mr. Ulrich, were these microphones satisfactory microphones?
>
> A. Apparently they were or I would have made some note. (KR 226).

Nothing further was done with the T-shaped reed for some time. In November of 1954 Ulrich did some experimental work with "bent tail" armatures which had been suggested earlier that year by Knowles as a possible means of volume or sentivity control. These armatures had an extension or tail extending beyond the fixed portion as indicated on page 125 of Ulrich's notebook (K exhibit 14). Variation of the angular position of the tail with respect to the adjacent pole piece by an adjusting screw was ex-

pected to control the volume of the output of the microphone. This was not found to be satisfactory for that purpose since Ulrich had noted that centering was not changed appreciably even when the tail was bent into contact with the pole piece. In a weekly progress report (K exhibit 15) Cronk noted with regard to the bent tail reed that it caused very little effect and that it, "Could cause total shift of pattern of less than 1/16" under any condition of tail coupling." When questioned regarding this note he stated that the very little effect was in terms of what was hoped for in terms of volume control but that the effect was probably adequate for most production readjustment procedures.

We do not find this evidence convincing of an actual reduction to practice by Knowles up to this point. For one thing counts 1 and 3 clearly do not read on the bent tail structure since count 1 requires that a tab extend between the bridges, and count 3 requires a T armature. Also there is serious question in our minds that the tail entirely outside the air gap between pole pieces can properly be regarded as the "means for varying the reluctance between the pole pieces in the air gap" as required by count 2. Moreover, we are of the opinion that the record does not demonstrate any conviction of success with regard to this structure. Certainly there is no indication of it in either of the documentary exhibits mentioned. We do not accord any substantial weight to Cronk's oral statement made almost eight years after the period in question even though he may be regarded as unbiased. At best it is a statement of opinion as to probability. We prefer to base our conclusion on the contemporary documentary evidence the deficiency of which has been noted.

As to the activity in 1953, we are of the opinion that the record does not demonstrate an actual reduction to practice although we believe that it established conception by Knowles in that year. Under the circumstances of this

case a more specific finding is unnecessary. Here, while there is no evidence directly indicating lack of success, Ulrich's notebook did not include any factual data or statement as to results obtained and we are left to the inference suggested orally by Ulrich that the results must have been satisfactory or some contrary note would have been made. We decline to draw that inference where other circumstances pointing in that direction are absent and where the failure to adopt the proposal or to file an application are circumstances which tend to indicate the contrary.

In 1955 the T reed proposal was again considered in connection with a smaller transducer designated AO. It appears that at first a serious reject problem arose and a program was initiated towards utilizing T-shaped reeds, including tooling. It was carried forward to the extent of a pilot production of 200 for the purpose of a cost analysis on all phases of adjustment. It appears further, however, that for some reason the consultant who was to make the analysis was not present while the pilot run was made. Cronk testified that other facets of the situation were under study at the same time and that through modification of the bulkhead or base and the pole pieces the mechanical instability problem which had caused the rejects had been solved to an economically acceptable extent at least so the T reed proposal was again shelved.

Knowles' contention for a reduction to practice at that time has somewhat more force than with respect to the earlier activity since the decision to make the run for cost analysis would seem to indicate that those in authority were convinced of the efficacy of the T reed adjustment. However, only Knowles testified in any detail concerning the making of the decision which he states was made after a conference between Cronk and himself. His testimony (K record 192-195) indicates much uncertainty and also that when the run of 200 went through without the industrial engineer consultant being present the matter was dropped

without further serious consideration. Cronk's testimony was to the effect that at this time the T reed was put into units for experimentation. (K record Q 285, 286, p. 64). There is no evidence that the 200 units produced were themselves tested at all. A review of these circumstances leaves us with the impression that an adequate test resulting in conviction of success was not established in 1955.

The next activity set out in the Knowles record occurred in the fall of 1956 when Pratt was assigned to make a study of approaches to the motor adjustment problems which are outlined on page 53 of his notebook (K exhibit 16). He worked on modified AO models and by calculation transformed the results into predicted effects on the AT model which was to be smaller. Parts for the AT were not yet available. A brief note appears on his notebook page 52 (K exhibit 17) regarding tests of proposals I(A) and I(B), presumably referring to exhibit 16. The first indicates that the change achieved was equivalent to .5 to .7 milliamperes and the second states that the unit appeared to work. In explanation Pratt stated that the result appeared on the oscilloscope which he was using. We do not regard this evidence as having sufficient specificity to have substantial significance beyond being somewhat cumulative of the previous work. It does not appear that either form would satisfy the structural requirements of count 3 and support for counts 1 and 2 would be doubtful since it is not clear that the magnetic adjustment would be in the air gap between polepieces as required by these counts.

The next activity at Industrial related to a modified T reed shown in a drawing (K exhibit 18) dated 11/20/56. Various witnesses referred to this as the pitchfork armature or reed. According to Cronk, bending of the tabs of this reed would cause a pure reluctance adjustment and could also cause a deformation of the reed. His testimony also indicated that by the date on the drawing

complete microphones had been assembled and tested. The nature and results of the tests were not given however. Referring to the drawing (K exhibit 20) of a case for the AT model with a hole for post assembly adjustment, Cronk stated that at that time (March 21, 1957) the AT model was in "moderate scale production, pilot models, I believe". We do not regard this testimony as being sufficiently specific and definite as to just what had been done at that time to establish a reduction to practice of the structure required by the counts in issue. Knowles stated that these microphones were released for sale in May of 1957, but this is not corroborated except to the extent of Cronk's testimony already reviewed. There is no documentary evidence as to such release.

Knowles also stated that later modifications as shown in drawings, exhibits 22, 23 and 24, were considered, however there is no testimony as to this by a corroborating witness except as to the fact of the drawings themselves which were identified by Thielman who prepared them. The requirement that in interference cases the testimony of a party must be corroborated as to acts of conception, diligence and reduction to practice has been reaffirmed many times, an example of which is found in Thurston v. Wulff *et al.*, 35 CCPA 794, 1948 C.D. 150, 164 F 2d 612, 76 USPQ 121. In view of this requirement and the noted deficiencies in the Knowles record we feel that he has failed to establish a reduction to practice prior to his filing date. We do not understand that he makes any contention for diligence throughout the critical period. Accordingly, Knowles cannot prevail.

In view of our conclusion above a discussion of the Tibbetts record becomes unnecessary. However, we have considered it and find it lacking testimony by a corroborating witness regarding the structure of the transducers sold under the model identifications given in connection with the testimony regarding sales. Neither do we find any

statement by Sawyer who made the drawing (Tibbetts exhibit D) which shows a T reed as part of a transducer structure, that Tibbetts was the source of the structure shown therein. Further, although Sawyer testified regarding the making of a punch and die (Tibbetts exhibit E) he failed to associate the T reeds made by them with any particular model number. Both Sawyer and Raymond Tibbetts (father of the party George Tibbetts) testified briefly regarding a "Tab Adjust" item on a checklist (Tibbetts exhibit L1), but neither explained just what structure or testing was involved. The drawings (Tibbetts exhibits J-9, J-10 and K-3) which were associated with certain model numbers are merely external cases and do not establish any internal structure. For the reasons given above we do not consider that the record for Tibbetts has established either conception or reduction to practice prior to his filing date.

In view of our conclusion that neither party has proven an actual reduction to practice prior to his filing date, the senior party Tibbetts is entitled to prevail on the basis of his earlier constructive reduction to practice by the filing of his application.

Accordingly, priority of invention of the subject matter involved is hereby awarded to George C. Tibbetts, the senior party.

/s/ *Warren H. Willner*)
Warren H. Willner)
Examiner of Interferences)
/s/ *George W. Boys*) Board
George W. Boys) Of Patent
Examiner of Interferences) Interferences
/s/ *Maurice A. Crews*)
Maurice A. Crews)
Examiner of Interferences)

UNITED STATES COURT OF CUSTOMS AND PATENT APPEALS

October Term, 1964

HUGH S. KNOWLES, Appellant, vs. GEORGE C. TIBBETTS, Appellee.	Patent Appeal No. 7377 Interference No. 91,812

June 24, 1965

ALMOND, Judge.

Hugh S. Knowles appeals from a decision of the Board of Patent Interferences awarding priority of invention to George C. Tibbetts. The Interference is between two applications.[1] The board based its award of priority on its holding that the junior party, Knowles, had failed to prove a reduction to practice prior to the senior party's filing date.

There are three counts in the interference. At oral hearing, Knowles' attorney abandoned the appeal as to count 1. We thus are concerned only with counts 2 and 3 which read as follows:

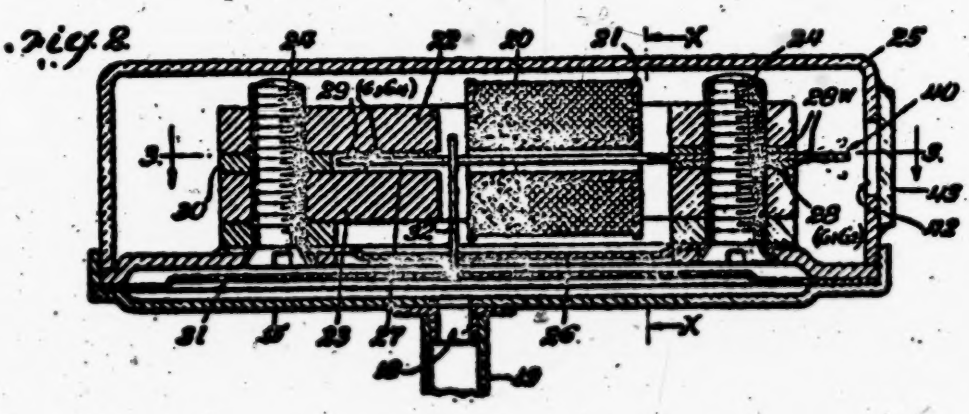
> 2. An electromagnetic transducer comprising a magnet, a pole piece flux-conductively engaging each

[1] Tibbetts, serial No. 680,753 filed August 28, 1957 and Knowles, serial No. 730,082 filed April 22, 1958.

pole of the magnet, said pole pieces extending laterally of the magnet to form a non-magnetic gap therebetween, an elongated flux-conductive, elastic armature, means clamping one end of said armature in non-magnetic, spaced relationship to the pole pieces in fixed position in said gap so that the other end of said armature may vibrate in another portion of said gap, there being a bending line between the clamped end and the vibratable end of the armature, and means for varying the reluctance between the pole pieces in the air gap at the fixed end of the armature.

3. The electromagnetic transducer of count 2 wherein the reluctance varying means is a T-shaped armature with the clamped portion between the arms of the T which project laterally on both sides into the gap.
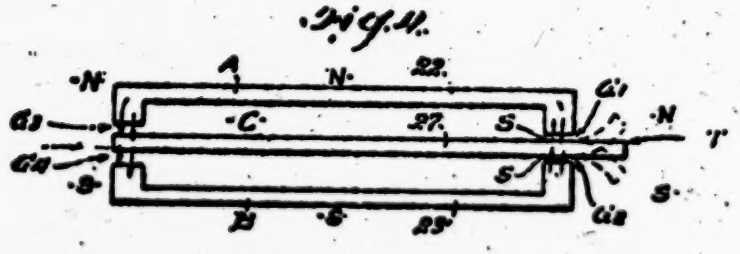
It is clear from the applications in interference that the invention relates to a transducer of the type shown in Figure 2 of the Knowles application:



A reed 27 is clamped between washers 28W at one end and is free to vibrate at its other end. When used in a microphone to convert acoustic energy into mechanical energy, the reed is made to vibrate by diaphragm 31 and drive link 32. Vibration of the reed between magnetic poles 22 and 23 causes a variable magnetic flux in the reed. The variable flux causes a current to be set up in coil 20. This output electrical current from the coil varies with the input acoustical energy.

REDUCTION TO PRACTICE

An understanding of the problem solved by the invention is important in determining whether there was a reduction to practice. Both applications in interference indicate that two kinds of flux are normally present in the vibrating reed. There is a steady polarizing flux in the region of the gaps between the magnetic poles and a variable signal flux in other regions of the reed. It is desirable that the reed carry as little steady flux as possible in regions outside the gaps. Knowles' Figure 4 represents a reed positioned between pole pieces:



According to Knowles, circulation of polarizing flux through the reed can be prevented by magnetically balancing the reed. Magnetic balance is obtained when the reluctance across each of the air gaps G_1, G_2, G_3, and G_4, represented as R_1, R_2, R_3 and R_4, is in the relationship $R_1/R_2 = R_3/R_4$. A reed may be balanced by simple mechanical centering or by bending adjustments which produce strains in the reed. The invention described by the

applications in interference is another method for magnetically balancing the reed. Adjustable tabs 19 and 20 are provided to the fixed end of the reed as indicated by Tibbetts' Figure 5:

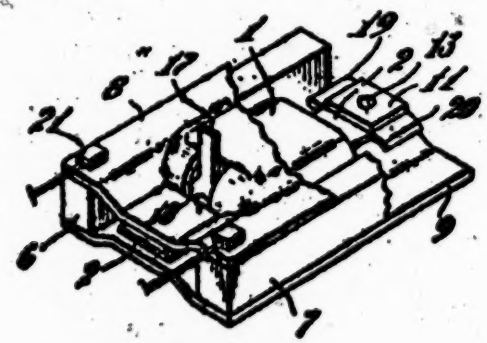


Fig. 5

Magnetic balance is obtained by bending the tabs. An important feature of the invention is that it allows adjustment of the transducer after it has been assembled in a casing if a small hole is placed in the casing to allow bending of the tabs.

Knowles' Exhibit 3 dated "3-18-53" is a drawing of a T-reed having bendable tabs. Herbert G. Zapfe, a model maker employed by Knowles' company, Industrial Research Products, Inc., testified that he had made several reeds in accordance with Exhibit 3 and probably turned them over to Knowles about April 30, 1953. Edward R. Cronk, an engineer employed by Industrial, testified that the T-reeds were placed in magnetic armature type motors designated as model AH. The parties appear to be in agreement that these AH motors "incorporating the T-reed" satisfy counts 2 and 3.[2] There was testimony that

[2] Tibbetts does contend that, because of the type of washer used to hold the reed, magnetic adjustment alone is impossible. This argument will be treated later.

these AH motors were tested to determine whether magnetic centering could be obtained by bending the tabs on the T-reeds and that the motors were assembled in microphones and tested acoustically by an engineer, Paul Ulrich. The board held that this activity carried out in 1953 established conception by Knowles but that it did not establish reduction to practice. Conception is the formation in the inventor's mind of the complete operative invention, *Townsend* v. *Smith,* 17 CCPA 647, 36 F.2d 292, 4 USPQ 269. Here the concept was not only in Knowles' mind, it was actually incorporated into a motor. Thus, it appears that the board considered the AH motor containing the T-reed to be a complete and operative embodiment of the invention in counts 2 and 3. The board's finding that reduction to practice had not been attained was expressed as follows:

> As to the activity in 1953, we are of the opinion that the record does not demonstrate an actual reduction to practice although we believe that it established conception by Knowles in that year. Under the circumstances of this case a more specific finding is unnecessary. Here, while there is no evidence directly indicating lack of success, Ulrich's notebook did not include any factual data or statement as to results obtained and we are left to the inference suggested orally by Ulrich that the results must have been satisfactory or some contrary note would have been made. We decline to draw that inference where other circumstances pointing in that direction are absent and where the failure to adopt the proposal or to file an application are circumstances which tend to indicate the contrary.

This vague statement by the board appears to indicate that only the acoustical tests by Ulrich were considered in determining reduction to practice. This brings us to the nub of the problem. We find, as apparently the board

did, that an operable transducer satisfying the counts was made in 1953. The legal question we must determine is, what proof of testing of this motor is required to establish reduction to practice?

Although tests under actual conditions of use are not necessarily a requirement for reduction to practice, the tests must prove that the invention will perform satisfactorily in the intended functional setting, *White* v. *Lemmerman*, 52 CCPA 968, 341 F.2d 110, 144 USPQ 409 and *Paivinen* v. *Sands*, 52 CCPA 906, 339 F.2d 217, 144 USPQ 1. Before considering Knowles' proofs regarding reduction to practice, we must scrutinize the technical aspects to determine just exactly what the intended functional setting of the invention is.

There is some dispute over the actual nature and purpose of the invention. Knowles contends that the invention is a transducer or in simpler terms merely a motor which has a wide variety of applications and need only run to prove reduction to practice. Tibbetts, on the other hand, apparently takes the position that the primary utility of the invention is in a microphone or receiver and would require actual service tests in a hearing aid. The Knowles application states:

> This invention pertains to the provision of improvements in electromagnetic devices such as transducers employing an armature movable relative to polarized pole pieces, and more particularly, but not exclusively, to that class of transducers used as receivers and microphones in hearing aids, and the like, in which the armature may be a long thin magnetic reed reacting relative to pole pieces conducting the main polarizing flux.

The entire invention, however, is directed to problems encountered in miniaturized equipment. Knowles states that magnetic balancing is "important in receivers where the

alternating signal flux in the pole pieces becomes an appreciable portion of the steady polarizing flux." Tibbetts, in his application, describes the problem as follows:

> As the size of certain types of transducer assemblies is reduced, e.g. microphones, the sensitivity also tends to reduce. One of the important means of maintaining sufficiently high sensitivity of such magnetic transducers is to employ a magnetic instability factor as high as practicable. Hence the problem of obtaining a sufficiently low steady flux density in the armature of moving armature magnetic transducers is greatly accentuated by the process of miniaturization.
>
> The principal object of my invention is to provide means in a balanced armature magnetic translator for adjusting accurately and permanently the magnetic state of the armature and hence of obtaining as close an approximation to magnetic balance as may be desired.

The gist of the invention then appears to be magnetically balancing miniaturized transducers, and this balancing is necessary when the transducers are used in microphones and receivers. There seems to be no doubt that a miniaturized transducer was made; Herbert Zapfe made the T-reeds which were made up into modified AH motors according to the testimony of Cronk. There is further evidence that bending the tabs resulted in "varying the reluctance between the pole pieces in the air gap at the fixed end of the armature" as called for by the count. Knowles testified that he bent the tabs and measured the shift in magnetic balance obtained by a laboratory test setup. Cronk corroborated, stating that he had seen Knowles make the magnetic centering tests and had made them himself. Tibbetts questions whether a satisfactory reluctance adjustment was achieved. Tibbetts first points to Knowles' Exhibit 15, a progress report allegedly made by Cronk in 1954. Cronk's testimony with regard to this report was:

Q259. Will you read into the record your comment on this bent tail reed No. 3? A. "Bent tail reed tried. Very little effect caused by tail. Probably because permeance of tail clamp section. Could cause total shift of pattern of less than 1/16th inch under any condition of tail coupling."

Q260. What were you after when you were testing this particular bent tail reed? A. Primarily we were after a very large gross effect to operate as a volume control rather than as a touch-up adjustment, as we call it.

Q261. Was this pure reluctance? A. Yes, this was definitely pure reluctance because it was completely isolated by the clamp from the balance of the reed.

Q262. Does the report you have there show that the reluctance adjustment did occur? A. Yes. In fact I think the wording here as I read this thing is in matter of concept. In other words, it says very little but this is only in terms of what we were trying to get, rather than what it actually did. I would say the amount talked about here was probably adequate for most production readjustment procedures.

We first note that a bent tail reed rather than the T-reed involved in the 1953 test was being discussed. Furthermore, Cronk states that some reluctance adjustment was obtained.

Tibbetts also argues that unless the tab adjustment can be made without introducing stresses in the vibratory portion of the reed, the results are unsatisfactory because of mechanical instability of the reed. We do not feel that he has pointed to any persuasive evidence which would indicate that mechanical stress had been introduced during the 1953 tests. He cites testimony by Cronk indicating that both mechanical and reluctance adjustments were obtained but that testimony dealt with a "pitchfork" reed designed to give both types of adjustment.

We thus conclude that Knowles made a miniaturized transducer and tested to establish that reluctance could be varied by manipulation of tabs on the T-reed.

The next step by Knowles was to have acoustical tests performed on a microphone containing a T-reed transducer. It is not clear from the record just what Knowles hoped to learn from the acoustical tests. Ulrich, at Knowles' request, placed the T-reed transducers in microphones and ran acoustical tests to determine sensitivity as a result of frequential volume. The results of these tests were expressed by curves. The test was apparently a standard practice. Ulrich's notebook, Exhibits 9-12, covers a period from "7/7/53" to "10/15/53" and "Curve #441" through "Curve #661." Two of the entries are:

7/22/53

* * *

Curve #448
flat drive pin
wide base reed 3/16"

and

12/11/53

* * *

Curve #649
production motor except 3/16" reed

* * *

Curve #652
same as #649 except 1/8" reed with 5/32" width @ pole faces

With regard to these tests, Ulrich testified:

RDQ15. Mr. Ulrich, were these microphones satisfactory microphones? A. Apparently they were or I would have made some note.

RDQ16. You would have made some note that they were not? A. That they were * * * unsatisfactory.

The curves are not in the record. Knowles testified that he saw the curves run on the T-reed transducers and was satisfied that "sensitivity was up to par." Cronk testified:

> Q226. What tests did Mr. Ulrich make on finished acoustic models? A. He ran a finished acoustic response test.
>
> Q227. Which would be shown by some kind of curve? A. Which would be sensitivity versus frequential volume, yes.
>
> • • •
>
> Q229. Did the curve show that the microphones equipped with that T reed would work acoustically? A. Yes, once they were in the acoustic state they were indistinguishable from any other reed.

It was these acoustical tests alone which the board seemed to consider in holding that there was no reduction to practice. In its original opinion, the board stated that Ulrich's testimony and notebook failed to indicate success of the acoustical tests. On reconsideration, the board criticized Cronk's corroboration of the Ulrich test results because "the testimony does not show that Cronk recalled the nature of the tests." We would agree that Ulrich's testimony is of little value as to success of the acoustical tests. We think, however, that Cronk corroborated Knowles' testimony of success. In view of the large number of sensitivity tests run by Ulrich, the curves from which were all delivered to Cronk, we think that Cronk must have known the nature of the test.

Tibbetts argues that the short acoustical test which indicated that the operation of the T-reeds was acoustically indistinguishable from normal reeds is merely a laboratory test insufficient to establish reduction to practice because it didn't prove whether tab adjustment introduced mechanical strains or whether it would be affected by conditions of "temperature, vibration etc. in

normal usage in a hearing aid." We think, however, that once Knowles established that tab adjustment provided reluctance adjustment and also that T-reeds operated in the same manner as normal reeds, he had sufficiently proved that the transducer would perform satisfactorily in its intended functional setting.

Tibbetts points to the fact that Knowles did not file a patent application until almost five years after the 1953 reduction to practice as evidence that reduction to practice was not actually established. It is true that a long delay in filing has been held to warrant the presumption that experiments alleged to be a reduction to practice were actually unsuccessful. See *Conner* v. *Joris*, 44 CCPA 772, 241 F.2d 944, 113 USPQ 56; *Stewart* v. *Robinson*, 19 CCPA 953, 55 F.2d 998, 12 USPQ 218 and *Globe-Union, Inc.* v. *Chicago Tel. Supply Co.*, 103 F.2d 722, 41 USPQ 366 (7th Cir. 1939). However, in a case like this where we are convinced that there was a reduction to practice, we will not hold otherwise because of the delay. To do so would result in a double standard in an area where the standard is already elusive. We thus *reverse* the board's holding that there was no reduction to practice by Knowles in 1953.

Loss of Right to Patent Under 35 USC 102 (g)

Having held that there was no reduction to practice, the board did not consider whether Knowles had abandoned, suppressed or concealed his invention from the time of reduction to practice in the latter part of 1953 until his filing date of April 22, 1958. Tibbetts has raised that issue throughout the interference and it must be decided. We thus *remand* for consideration of the 35 U.S.C. 102(g) issue.

Reversed And Remanded.

OFFICE OF THE CLERK
SUPREME COURT OF THE UNITED STATES
Washington, D.C., 20543

February 28, 1966

Re: TIBBETTS v. KNOWLES,
No. 905, Oct. Term, 1965
(Filed February 8, 1967)

Dear Sir:

The Court today denied the petition for writ of certiorari in the above-entitled case.

Kindly advise your associate.

Very truly yours,
John F. Davis, Clerk
By: /s/ *C. T. Lyddasee*
Assistant

Wilfred S. Stone, Esq.
Stone, Zummer and Livingston
134 South LaSalle St.
Chicago, Ill. 60603
Airmail

Paper No. 62
GWB/dt

IN THE UNITED STATES PATENT OFFICE

BEFORE THE
BOARD OF PATENT INTERFERENCES

Patent Interference No. 91,812

Knowles v. Tibbetts

(Mailed May 3—1966 U.S. Patent Office)

On Remand From The Court Of Customs And Patent Appeals

This case has been remanded to us by the Court of Customs and Patent Appeals for a consideration of whether or not Knowles had abandoned, suppressed or concealed his invention from the time of his reduction to practice in the latter part of 1953 (as determined by the Court) until his filing date of April 22, 1958, the Court having reversed our holding that Knowles had not reduced the invention to practice, and according Knowles an actual reduction to practice in late 1953.

Action on the remand was suspended when the party Tibbetts filed notice that a petition for a writ of certiorari had been filed with the Supreme Court of the United States. That petition was denied and we now take up the case for consideration of the matter indicated by the Court of Customs and Patent Appeals in their decision remanding the case to us.

In his brief the party Tibbetts asks for an oral hearing. It is not our custom to grant rehearings and since the matter to be considered was briefed and argued prior to our

decision in the first instance we find no reason here to depart from that custom. The request is therefore denied.

The party Tibbetts filed a "Brief For Tibbetts On Remand Re Suppression". The party Knowles filed a brief in reply thereto and Tibbetts filed an answer to Knowles' reply.

As noted in Knowles' brief, Tibbetts' brief is directed solely to the matter of suppression. There seems to be no contention that Knowles concealed or abandoned the invention although there is a certain relation between the three grounds set out as negative qualifications in 35 U.S.C. 102(g). It appears to us that this limitation of the issue is justified by the record. There is no testimony by any witness indicating the imposition of secrecy on any of the Knowles employees with respect to the invention nor to restrict knowledge of it to only selected persons. Nor is there any evidence of confining embodiments of the invention to an area access to which was restricted. Abandonment is negatived by the ultimate adoption of the invention in transducers which were marketed.

It seems clear to us from the record as reviewed in the decision of the Court of Customs and Patent Appeals, as well as in our own original decision, that Knowles did not utilize the invention in production until 1957 or 1958 because of his opinion that it would be uneconomical to do so. Tibbetts urges that Knowles was spurred into utilization of the invention by the appearance on the market of the Tibbetts device in 1956 and 1957, and that the Knowles AY-AW models incorporating the invention were first sold by Knowles in October of 1958 almost two years after the first Tibbetts models went on the market and after Tibbetts had sold approximately 100,000 transducers.

This contention by Tibbetts requires the inference that Knowles was aware of the appearance of the Tibbetts T-reed transducers and was spurred into activity thereby.

While there is some slight basis for such an inference we do not believe the record provides sufficient basis for an award of priority in the absence of more positive evidence. We have found no questions directed to any of the Knowles witnesses seeking to determine whether or not they had seen or heard of the Tibbetts devices during the period in question. The decision to finally use the invention might logically have resulted purely from reduction in transducer size in an attempt to compete with the transducers appearing on the market of smaller size than those produced by Knowles at the time. It is apparent from the record that the need for the tab adjustment increased as the size of the transducers decreased.

Tibbetts also urges that the prosecution history of Knowles patent 2,912,522 contains a paper (No. 6, amendment B) dated May 29, 1957 including a drawing or sketch showing a transducer allegedly like those sold by Tibbetts to the extent of 16,651 by the end of May 1957. Knowles has objected to consideration of this drawing on the ground that it was not introduced in accordance with Rule 282 and that he had no opportunity to cross-examine anyone on this subject matter.

We think that Knowles' objection is well taken. The identified patent was actually introduced in evidence by both parties. Knowles introduced it as a printed copy as his exhibit 2, and Tibbetts introduced a similar printed copy by notice under Rule 282. However, these printed copies do not include the paper in question but merely the final printed form of the specification, claims and drawings. Rule 282 requires the filing of a notice,

> specifying the record or the printed publication, the page or pages thereof to be used, indicating generally its relevancy, and accompanied by the record or authenticated copy, or the printed publication or a copy.

In this case Tibbetts' notice under Rule 282 merely lists Knowles patent No. 2,912,522 and several other Knowles patents without identifying any particular page and was accompanied only by a printed copy, which did not include the paper in question. As an indication of relevancy, the notice includes only the following:

> The relevancy of these patents is to show that, while not filing his interference application for approximately five years after alleged conception, Knowles filed many other applications in this and foreign countries during that period.

It is therefore clear that in submitting his evidence Tibbetts laid no foundation for a consideration of the amendment to which he now refers. We will therefore disregard this contention, and in view of our conclusions above with regard to the sales of Tibbetts' devices, we are of the opinion that the record before us does not provide sufficient basis for a conclusion that Knowles was spurred into activity by the appearance on the market of the Tibbetts transducers.

The Court of Customs and Patent Appeals in a recent case has held that although proof of spurring is not necessarily a prerequisite to a holding of concealment, it is usually difficult to prove a case of concealment without it. The Court then affirmed the decision of the Board of Patent Interferences holding that in that case, in the absence of a showing of spurring, the remaining evidence was insufficient to support a holding of concealment. Dewey v. Lawton, 52 CCPA ——; 146 USPQ 187; 347 F2d 629. We are of the opinion that a similar holding must be made regarding the contended suppression in the present case.

In view of the above, priority of invention of the subject matter involved is hereby awarded to Hugh S. Knowles, the junior party.

Mr. La Verne Williams has been substituted for Mr. W. H. Willner who has retired.

/s/ *George W. Boys*
George W. Boys
Examiner of Interferences

/s/ *Maurice A. Crews*
Maurice A. Crews
Examiner of Interferences

Board Of Patent Interferences

/s/ *La Verne Williams*
La Verne Williams
Examiner of Interferences

IN THE UNITED STATES COURT OF
CUSTOMS AND PATENT APPEALS

In the Matter of:	)	
HUGH S. KNOWLES,	)	
Junior Party-Appellant,	)	Patent Appeal
v.	)	Docket No. 7377
GEORGE C. TIBBETTS,	)	
Senior Party-Appellee	)	

(Filed June 29, 1966)

MOTION TO CONFIRM JURISDICTION OF THIS COURT

Now comes the party Knowles and moves as follows:

1. That this court affirm that it has sole jurisdiction of the above-entitled cause,—after remand and after decision by the tribunal below,—namely, the Board of Interference Examiners of the United States Patent Office.

2. That the party Knowles be restrained from seeking and the Commissioner of Patents from issuing any patent under the Knowles application until final disposition of this interference in Appeal No. 91,812 before this court.

3. That the filing date of the suit filed in the United States District Court for the Northern District of Illinois, Eastern Division, No. 66 C 1077, on June 14, 1966, be the filing date of the appeal to this court in order that this court have jurisdiction in the event that a district court does not have jurisdiction.

This motion is denied June 30, 1966, Giles S. Rich, Judge.

4. That this motion either be granted before the July 5, 1966 date (the expiration date of the sixty-day period from the decision of the Board of Interference Examiners of the United States Patent Office) without argument, or that it be set for oral argument on that date before those judges of this court who are available.

In support of the foregoing motion, appellant Knowles sets forth the following facts:

1. The above-numbered appeal derived from an interference set up on the 29th day of March, 1961 by the United States Patent Office with Interference No. 91,812.

2. On the 31st day of May, 1963, the Board of Interference Examiners ruled in favor of the party Tibbetts. A motion for reconsideration was denied on September 4, 1963.

3. The party Knowles appealed to this court on the first day of October, 1963, and the case was given the above-identified No. 7377.

4. The party Tibbetts did not elect to compel Knowles to go into a federal court under 35 U.S.C. § 141. Had he so elected, this case would have been brought in the United States District Court for the State of Maine, the party Tibbetts being located in Camden, Maine.

5. This court ruled that Knowles was the senior party, but also found that the Board of Interference Examiners had made no finding upon abandonment, and that Tibbetts was entitled to such a finding. This court remanded the case to the Patent Office.

6. On the 13th day of January, 1966, the party Tibbetts filed a Petition for Writ of Certiorari to the United States Supreme Court. This petition was denied on February 28, 1966.

7. The parties filed briefs under the remand and the Patent Office ruled that Knowles had not abandoned, suppressed or concealed the invention on the 3d day of May, 1966. Its decision is attached.

8. Tibbetts filed a complaint in the United States District Court for the Northern District of Illinois, Eastern Division, on June 14, 1966, Civil Action 66 C 1077, Judge Decker, which was served on the parties Knowles and Knowles Electronics, Inc., on June 21, 1966. Count 1 of this complaint asks that a patent be granted to Tibbetts and not to Knowles; and Count 2 seeks a declaratory judgment that any patent issuing from the Knowles application be declared invalid.

9. Appearances for Knowles Electronics, Inc. and Hugh S. Knowles have been entered, but they have taken no further action to date.

The party Knowles submits that he appealed to this court under 35 U.S.C. §141, and that his opponent Tibbetts did not elect to force Knowles "to have *all further* proceedings conducted" in a federal court, i.e., the Southern District of Maine at Portland, Maine; that 35 U.S.C. §146 is inapplicable; that this court has exclusive jurisdiction; that any action by the United States District Court for the Northern District of Illinois prior to July 5, 1966 is impossible because a motion and briefs cannot be filed before said date. If the party Knowles is right that only this court has jurisdiction, Tibbetts possibly may lose his right to appeal to this court on July 5, 1966.

Respectfully submitted,

STONE, ZUMMER & LIVINGSTON
By *Wilfred S. Stone*
Wilfred S. Stone, for
Hugh S. Knowles

PROOF OF SERVICE

Chicago, Illinois
June 28, 1966

This is to certify that a copy of the foregoing Motion has been served on the party Tibbetts and on the Commissioner of Patents, Attention the Office of the Solicitor, by mailing a copy of each, postage prepaid to Charles S. Grover, Esq., Roberts, Cushman & Grover, 31 Milk Street, Boston, Massachusetts 02109, and to The Commissioner of Patents, Washington, D.C. 20231, this 28th day of June, 1966.

/s/ Wilfred S. Stone

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

TIBBETTS INDUSTRIES, INC., and GEORGE C. TIBBETTS, Plaintiffs,	)	
vs.	)	No. 66 C 1077
KNOWLES ELECTRONICS, INC., and HUGH S. KNOWLES, Defendants.	)	

MEMORANDUM OPINION

Count I of this complaint raises a question of first impression in the interpretation of the sections of the patent laws which provide for review of decisions of the Board of Patent Interferences. Plaintiff filed this suit for review under 35 U.S.C. § 146. Defendant, the successful party before the Board, moves to dismiss. The motion is denied.

"Whenever an application is made for a patent which . . . would interfere with any pending application, or with any unexpired patent," the question of "priority of invention" must be determined. 35 U.S.C. § 135(a). This question of "priority" requires resolution of the issues of "conception," "diligence," "reduction to practice" and "abandonment." A party first to conceive and diligently reduce to practice may nonetheless lose on the issue of priority if he has concealed, abandoned or suppressed his invention.

An "interference proceeding" is initiated and resolved by a special panel, the Board of Patent Interferences ("Board"). 35 U.S.C. §135(a). The Board's decision

"awarding priority" to one of the competing applicants is reviewable through a comprehensive and, until today, clear procedure. Appeal may be filed either in the United States Court of Customs and Patent Appeals ("CCPA"), under 35 U.S.C. §141, or, in the alternative, in a United States District Court, under 35 U.S.C. § 146. Count I of this complaint was filed under § 146.

Resort to one forum plainly bars use of the other. Thus, § 146 states:

> "Any party to an interference dissatisfied with the decision of the board of patent interferences on the question of priority, may have remedy by civil action, if commenced within such time after such decision, not less than sixty days, as the Commissioner appoints or as provided in section 141 of this title, unless he has appealed to the United States Court of Customs and Patent Appeals, and such appeal is pending or has been decided."

And, 28 U.S.C. § 1542 states:

> "The Court of Customs and Patent Appeals shall have jurisdiction of appeals from decisions of:
>
> > "(1) the Board of Appeals and the Board of Interference Examiners of the Patent Office as to patent applications and interferences, at the instance of an applicant for a patent or any party to a patent interference, and such appeal by an applicant shall waive his right to proceed under section 63 of Title 35."

It is clear that the reference to the old § 63 may be read to include the present § 146.

Other parties to the interference have the same choice provided for dissatisfied parties. Thus, § 141 states:

> "A party to an interference dissatisfied with the decision of the board of patent interferences on the question of priority may appeal to the United States

> Court of Customs and Patent Appeals, but such appeal shall be dismissed if any adverse party to such interference, within twenty days after the appellant has filed notice of appeal according to section 142 of this title, files notice with the Commissioner that he elects to have all further proceedings conducted as provided in section 146 of this title:"

Any party can bring the appeal to federal district court and thereby bar resort to the CCPA.

Many characteristics of the two forums may influence a party's choice. One difference between them is particularly important: in district court new evidence can be introduced while in the CCPA it cannot. 35 U.S.C. § 146. A party who wishes to bring in new evidence must remove the proceedings to the district court.

Plaintiffs Tibbetts Industries, Inc., and George Tibbetts ("Tibbetts") and defendants Knowles Electronics, Inc., and Hugh S. Knowles ("Knowles") were parties to an interference which was resolved by the Board on May 31, 1963, with an award of priority to Tibbetts.[1] Knowles appealed to the CCPA. Tibbetts also appealed to object to the Board's failure to make certain findings. The CCPA reversed the Board, finding that Knowles was the first to conceive and reduce the invention to practice. However, the case was remanded to the Board to determine whether Knowles, though prior, had foreclosed a patent by abandoning, suppressing or concealing the invention. 35 U.S.C. § 102(g). This question was irrelevant as long as Tibbetts was held to be prior, and therefore the Board had ignored it. Given the CCPA's reversal, the question became of paramount importance. The Court said:

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[1] The individual and corporate party on each side are referred to here as a single entity. The actions of each bind the other.

> "Having held that there was no reduction to practice, the board did not consider whether Knowles had abandoned, suppressed or concealed his invention from the time of reduction to practice in the latter part of 1953 until his filing date of April 22, 1958. Tibbetts has raised that issue throughout the interference and it must be decided. We thus remand for consideration of the 35 U.S.C. § 102(g) issue."

On remand, the Board denied Tibbetts' request for oral hearing, considered the previously ignored question and awarded priority to Knowles. It is from this decision of the Board that Tibbetts claims a right to appeal in this court pursuant to § 146. The question is whether, when the Board makes two separate decisions at different times involving different issues, a waiver of a § 146 suit as to the first Board decision constitutes a waiver as to the second decision as well. I think it does not.

The statutory language does not preclude and slightly favors Tibbetts' right to sue here. No violence is done to §§ 141 and 146 by reading the word "decision" to refer to every independent adjudication made by the Board. Nothing in the statute requires a waiver following one decision to reach a second decision in the same interference. The statute speaks solely in terms of "decisions," not interferences or proceedings.[2] It can hardly be debated that the Board made two "decisions" in this case.

The legislative history favors Tibbetts' right to sue here. The purpose of requiring an election of remedies was to foreclose redundant appeals. See *Hoover* v. *Coe*, 325 U.S. 79, 86-87 (1945). Permitting Tibbetts to sue here on the

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[2] Under § 141, an appeal in the CCPA goes forward unless a party "elects to have all further proceedings conducted" in federal district court. However, the word "proceedings" in § 141 is clearly controlled by the prior word "decision" in the section and is limited to proceedings on that decision.

Board's *second* decision does not proliferate appeals since there is certainly a right to one more appeal in this case in *some* forum. The choice of this one precludes later resort to the CCPA.

Suit in federal district court was provided to save "to litigants the option of producing new evidence in a court." *Hoover* v. *Coe*, 325 U.S. 79, 87 (1945). The difficulty with Knowles' reading of the statute is evident in light of this provision. Following the first Board decision, Tibbetts saw no need to employ the special processes of this court. Tibbetts had won; evidence on questions of abandonment, suppression and concealment was unnecessary. Tibbetts' need for this forum became clear only later, after the Board's second decision; such a need could not have been discerned, except in pure prophecy, prior to that time. It is unreasonable to attribute to Congress the intention to force a litigant to make his choice not only on the basis of present facts, but on uncertain future ones as well. The statute cannot be read to give a waiver made in one set of circumstances on one decision, binding effect in new, radically different circumstances on another decision. Congress must have thought that there were differences between the two available forums which would influence a litigant's choice in light of the status of his case. There is no reason to deny the benefits of that choice when conditions have changed and the entire decision-making process has begun again on new questions.

For these reasons, Knowles' motion to dismiss Count I of the complaint is denied.

ENTER:

BERNARD M. DECKER
United States District Judge

Dated: December 22, 1966.

In the

United States Court of Appeals

For the Seventh Circuit

SEPTEMBER, 1967 TERM AND SESSION

No. 16099

TIBBETTS INDUSTRIES, INC. and GEORGE C. TIBBETTS,
Plaintiffs-Appellees,

v.

KNOWLES ELECTRONICS, INC. and HUGH S. KNOWLES,
Defendants-Appellants.

Appeal from the United States District Court for the Northern District of Illinois, Eastern Division.

November 29, 1967

Before HASTINGS, *Chief Judge,* and SCHNACKENBERG and FAIRCHILD, *Circuit Judges.*

HASTINGS, *Chief Judge.* The precise question for decision on this appeal can be best stated after a brief summary of the prior proceedings had in the United States Patent Office, and thereafter.

George C. Tibbetts and Hugh S. Knowles each filed separate applications in the United States Patent Office

for a patent, stated in general terms, on a means of magnetically balancing the motor of a microphone or receiver. The Tibbetts application, serial No. 690,753, was filed August 28, 1957. The Knowles application, serial No. 730,082, was filed April 22, 1958.

The respective patent applications were placed in interference pursuant to Title 35, U.S.C.A. § 135(a) for the determination of priority of invention.

The Board of Patent Interferences awarded priority of invention to Tibbetts. It based its award of priority on its holding that the junior party, Knowles, had failed to prove a reduction to practice prior to the senior party's filing date. Having so held, the Board did not reach or consider Tibbett's claim that Knowles had suppressed, abandoned or concealed the invention.

Pursuant to Title 35, U.S.C.A. § 141, Knowles appealed this decision to the United States Court of Customs and Patent Appeals, and Tibbetts filed a protective appeal seeking affirmance and preserving alternate grounds for affirmance. The appeals related solely to the issues of conception, reduction to practice and diligence.

On appeal, the CCPA reversed the Board on the issue of reduction to practice. However, it further held that Tibbetts had raised throughout the interference the issue of whether Knowles had abandoned, suppressed or concealed his invention from the time of reduction to practice in the latter part of 1953 until his filing date of April

22, 1958, and that issue must now be decided by the Board. It thus remanded the case to the Board for consideration of this issue as set out in Title 35, U.S.C.A. § 102(g). *Knowles* v. *Tibbetts,* USCGPA, 347 F. 2d 591 (1965).

On remand, the Board of Patent Interferences for the first time considered the issues of abandonment, suppression and concealment. In a second decision, after denying Tibbett's request for an oral hearing and considering only a closed record, the Board held that Knowles had not suppressed his invention and awarded priority to Knowles.

As will appear, this decision is the one under question before this court on the instant appeal.

Following the foregoing second decision of the Board, on June 14, 1966, pursuant to Title 35, U.S.C.A. § 146, Tibbetts Industries, Inc. and George C. Tibbetts brought this action in the United States District Court for the Northern District of Illinois to review such second decision of the Board. In Count I, plaintiffs seek a judgment to compel the issuance of the patent in question to Tibbetts. In Count II, plaintiffs seek to declare invalid the patent issued to Knowles on the same invention.

Named as defendants in the instant suit are Knowles Electronics, Inc. and Hugh S. Knowles.

Following the filing of this complaint, on June 29, 1966, Knowles filed an emergency motion in the CCPA asking that court to confirm its sole jurisdiction in this matter. This motion was summarily denied by Judge Rich on June 30, 1966, through his handwritten notation on the original petition. In short, this appears to have been an abortive attempt by Knowles to force this review before the CCPA.

Thereafter, on August 1, 1966, Knowles filed a motion to dismiss the complaint in this action. Knowles sought dismissal of Count I on the ground that the district court

lacked jurisdiction over the subject matter, claiming jurisdiction to be in the CCPA under 35 U.S.C.A. § 141, since it is alleged that Tibbetts waived his right to institute the present action by filing a notice of appeal from the first decision of the Board of Patent Interferences.

The grounds for dismissal of Count II are other than those asserted against Count I. Count II is not before us at this time and need not be further considered here.

The district court denied the motion of Knowles to dismiss Count I. Knowles petitioned this court for leave to appeal this order pursuant to Title 28, U.S.C.A. § 1292(b). Upon proper certification by the presiding district judge, leave to appeal from such interlocutory order was granted and the matter is now before us.

It is clear that under 35 U.S.C.A. § 135(a), subject to the conditions for patentability stated in 35 U.S.C.A. § 102(g), when two competing inventors file separate applications for a patent on a similar invention, the first to conceive and reduce the invention to practice is entitled to an award of priority and the issuance of a patent, unless he has abandoned, suppressed or concealed it. On appeal to the CCPA, it was finally determined that Knowles was the first to reduce to practice and that issue is no longer before us.

The relevant part of 35 U.S.C.A. § 146 reads:

> "Any party to an interference dissatisfied with the decision of the board of patent interferences on the question of priority, may have remedy by civil action, if commenced within such time after such decision, not less than sixty days, as the Commissioner appoints or as provided in section 141 of this title, unless he has appealed to the United States Court of Customs and Patent Appeals, and such appeal is pending or has been decided. * * *"

The relevant part of 28 U.S.C.A. § 1542 reads:

> "The Court of Customs and Patent Appeals shall have jurisdiction of appeals from decisions of:
>
> (1) The Board of Appeals and the Board of Interference Examiners of the Patent Office as to patent applications and interferences, at the instance of an applicant for a patent or any party to a patent interference, and such appeal by an applicant shall waive his right to proceed under section 63 of Title 35; * * *"[1]

The relevant part of 35 U.S.C.A. § 141 reads:

> "* * * A party to an interference dissatisfied with the decision of the board of patent interferences on the question of priority may appeal to the United States Court of Customs and Patent Appeals, but such appeal shall be dismissed if any adverse party to such interference, within twenty days after the appellant has filed notice of appeal according to section 142 of this title, files notice with the Commissioner that he elects to have all further proceedings conducted as provided in section 146 of this title. Thereupon the appellant shall have thirty days thereafter within which to file a civil action under section 146, in default of which the decision appealed from shall govern the further proceedings in the case."

It thus appears clear that appeal from the Board's decision in an interference proceeding lies either in the CCPA, or by way of civil remedy in the federal district court. It is also clear that neither party can compel the other to accept CCPA review, but either party can compel the other to accept *de novo* review in the district court.

The precise question before us, as the district court stated in its memorandum opinion, "is whether, when the Board makes two separate decisions at different times

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[1] It is understood that reference to § 63 now includes § 146 in the present statute, hereinabove set out.

involving different issues, a waiver of a § 146 suit as to the first Board decision constitutes a waiver as to the second decision as well." The trial court thought it did not. *Tibbetts Industries, Inc.* v. *Knowles Electronics, Inc.*, D.C.N.D.Ill. E.D., 263 F. Supp. 275, 277-78 (1966), Honorable Bernard M. Decker presiding.

The district court was of the view that this is a case of first impression on this particular issue.

We quote with approval the following from Judge Decker's memorandum opinion:

> "The statutory language does not preclude and slightly favors Tibbetts' right to sue here. No violence is done to §§ 141 and 146 by reading the word 'decision' to refer to every independent adjudication made by the Board. Nothing in the statute requires a waiver following one decision to reach a second decision in the same interference. The statute speaks solely in terms of 'decisions,' not interferences or proceedings.[2] It can hardly be debated that the Board made two 'decisions' in this case.
>
> "The legislative history favors Tibbetts' right to sue here. The purpose of requiring an election of remedies was to foreclose redundant appeals. See *Hoover Co.* v. *Coe*, 325 U.S. 79, 86-87, 65 S.Ct. 955, 89 L. Ed. 1488 (1945). Permitting Tibbetts to sue here on the Board's *second* decision does not proliferate appeals since there is certainly a right to one more appeal in this case in *some* forum. The choice of this one precludes later resort to the CCPA.

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[2] Under § 141, an appeal in the CCPA goes forward unless a party 'elects to have all further proceedings conducted' in federal district court. However, the word 'proceedings' in § 141 is clearly controlled by the prior word 'decision' in the section and is limited to proceedings on that decision.

> "Suit in federal district court was provided to save 'to litigants the option of producing new evidence in a court.' *Hoover Co.* v. *Coe*, 325 U.S. 79, 87, 65 S. Ct. 955, 89 L. Ed. 1488 (1945). The difficulty with Knowles' reading of the statute is evident in light of this provision. Following the first Board decision, Tibbetts saw no need to employ the special processes of this court. Tibbetts had won; evidence on questions of abandonment, suppression and concealment was unnecessary. Tibbetts' need for this forum became clear only later, after the Board's second decision; such a need could not have been discerned, except in pure prophecy, prior to that time. It is unreasonable to attribute to Congress the intention to force a litigant to make his choice not only on the basis of present facts, but on uncertain future ones as well. The statute cannot be read to give a waiver made in one set of circumstances on one decision, binding effect in new, radically different circumstances on another decision. Congress must have thought that there were differences between the two available forums which would influence a litigant's choice in light of the status of his case. There is no reason to deny the benefits of that choice when conditions have changed and the entire decision-making process has begun again on new questions."

This becomes readily apparent in this case where it appears that Tibbetts may have need to resort to evidence now relevant in a *de novo* hearing in the district court and could not make such showing on appeal on a closed record in the CCPA. What may be readily apparent now was not apparent prior to the second decision of the Board.

We have carefully reviewed the several authorities cited by Knowles, as well as his contentions asserted in support of his arguments for reversal. We do not find the authorities cited to be controlling here and we are not persuaded

by his arguments that the district court was incorrect in its holding.

For the foregoing reasons, and in reliance on the opinion of the district court, 263 F. Supp. 275, *supra*, the interlocutory order appealed from is in all respects affirmed.

AFFIRMED.

A true Copy:

Teste:

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Clerk of the United States Court of Appeals for the Seventh Circuit.

Calendar No. 1341

69TH CONGRESS, 2d Session | SENATE | REPORT No. 1313

PROCEDURE IN PATENT OFFICE

JANUARY 24, 1927.—Ordered to be printed

MR. SHIPSTEAD, from the Committee on Patents, submitted the following

REPORT

[To accompany S. 4812]

The Committee on Patents, to whom was referred the bill (S. 4812) amending the statutes of the United States as to procedure in the Patent Office and in the courts with regard to the granting of letters patent for inventions and with regard to interfering patents, having considered the same, report favorably thereon with the recommendation that the bill do pass with amendments.

The bill has the approval of the Department of Commerce, as will appear by the following letter, which is made a part of this report:

DEPARTMENT OF COMMERCE,
OFFICE OF THE CHIEF CLERK,
Washington, December 20, 1926

HON. JESSE H. METCALF,
Chairman Senate Committee on Patents,
United States Senate.

MY DEAR SENATOR: As requested by you, careful consideration has been given to the bill (S. 4812) for amending the statutes as to procedure in the Patent Office and in the courts with regard to the granting of patents.

A report of Commissioner Robertson is appended hereto, aproving the bill.

This bill also meets the approval of the department, and I join in urging its passage at the present session.

Yours faithfully,

HERBERT HOOVER,
Secretary of Commerce.

DEPARTMENT OF COMMERCE,
UNITED STATES PATENT OFFICE,
Washington.

(Memorandum for Secretary Hoover.)

Careful consideration has been given to Senate bill 4812.

For a quarter of a century efforts have been made to simplify the procedure within the Patent Office with respect to appealed cases. The bill

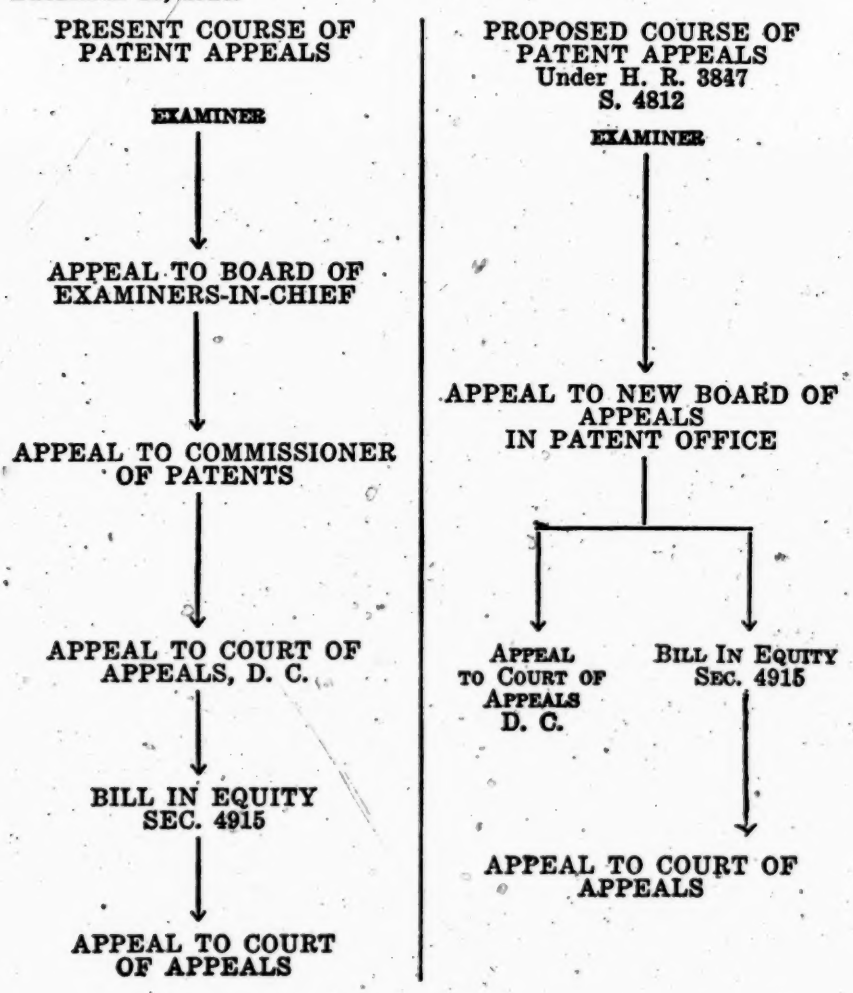
under consideration makes this possible. It received practically the unanimous indorsement of the patent and trade-mark section of the American Bar Association at the Denver meeting and has also been favorably acted upon by the Patent Law Associations of New York and Chicago.

The bill also relates to appeals from the Patent Office and instead of permitting a losing party in the Patent Office to appeal to the Court of Appeals of the District of Columbia and then start de novo in a United States district court under section 4915 of the Revised Statutes and to finally appeal therefrom, the bill provides that the applicant may appeal to the Court of Appeals, or may file his bill in equity, but that he can not do both. I am inclosing a chart showing on one side the present course of appeals and on the other side the proposed course of appeals.

I regard the bill as a great step forward in patent procedure and hope it will be pushed to passage at this session of Congress.

THOMAS E. ROBERTSON, *Commissioner.*

DECEMBER 18, 1926.



The amendments are as follows:

On page 4, line 1, strike out the words "become final" and insert in lieu thereof "govern the further proceedings in the case."

On page 4, line 20, strike out the word "applications" and insert "application."

On page 5, line 3, strike out the stars, and also the words "For the" in line 25.

On page 6, strike out lines 1, 2, 3, and 4; in line 18 strike out "$10" and substitute "$15"; after line 19 insert a new paragraph:

SEC. 14. That where the day, or the last day, fixed by statute for taking any action or paying any fee in the United States Patent Office falls on Sunday, or on a holiday within the District of Columbia, the action may be taken, or the fee paid, on the next succeeding secular or business day.

On page 6, line 20, strike out "14" and insert "15." In the same line strike out the word "six" and insert in lieu thereof "two." On the same page, line 22, after "ing," insert the words "and heard." In the same line, after the word "or," insert the words "pending before."

On page 7, line 1, after the word "Patents," insert "or for amendment or renewal of application."

On page 7, line 2, after the word "appeals," insert "and other proceedings"

On page 7, line 2, after the word "force," strike out the words "prior thereto" and insert "at the time of approval of this act as if such statutes had not been amended or repealed."

The purpose of this bill is to lessen the delays in the Patent Office, to simplify procedure in the Patent Office, and to simplify procedure in appeals from the Patent Office to the courts.

The object of section 1 is to give an applicant only six months to reply to an official letter instead of one year as now. It sometimes happens that an application is acted

upon a half dozen or more times, and the applicant can now wait one year to reply to each official action, thus purposely delaying the issuance of his patent since the term of his patent does not begin to run until his patent actually issues.

Section 2 prevents an applicant who has already delayed his application for four or five years prior to its being allowed from delaying it for two years additional after allowance. The amendment reduces the period of delay from two years to one year.

Section 3 provides for a different course of procedure in appeals in the Patent Office. At present there is an appeal to five examiners in chief who are appointed by the President and confirmed by the Senate. If that appeal is unfavorable, then the applicant can appeal to the Commissioner of Patents. Section 3 provides for combining the commissioner and assistant commissioners with the examiners in chief so as to make only one appeal within the Patent Office. Provision is made for the appeal being heard by three members of the board of appeals. The commissioner, or one of the assistant commissioners, may sit with two members of the board, and thus, by combining the commissioners and the examiners in chief, two boards can sit simultaneously. This is vitally necessary since the number of ex parte appeals has increased from 1,200 to 1,600 within two years.

Sections 4, 5, and 6 are made necessary by combining the two existing appeals into one, as set forth in section 3.

Section 7 repeals section 9 of the act of February 9, 1893, since it is inconsistent with other sections of this act.

Section 8 rewrites section 4911 of the Revised Statutes so as to provide for a simplified appeal from the Patent Office. Under present statutes an applicant whose case has been rejected or a losing party in an interference may appeal to the Court of Appeals of the District of Columbia and then if he is dissatisfied he may start proceedings de novo by filing a bill in equity in a United States district

court, under section 4915, and from the decision of that court he may appeal to the court of appeals. This procedure makes for very vexatious delays and the object of the present bill is to permit one to have the decision of the Patent Office reviewed either by the court of appeals or by filing a bill in equity, but not both. Therefore section 4911 has been rewritten to provide that an applicant may appeal to the court of appeals, but if he does so he waives his right to proceed under section 4915. Nevertheless, in order that the other party may not be deprived from his remedy under section 5915, it provides that he may serve notice upon the one who is taking the appeal to the court of appeals which would result in having the case transferred to the United States district court under section 4915.

Section 9 has been amended to cure a defect in the present law, but makes no change in the actual procedure.

Section 10 merely repeals obsolete law.

Section 11 rewrites section 4915 to carry out the provisions hereinbefore mentioned of permitting the case to proceed under section 4915. This section also provides for procedure under such section.

Section 12 provides that when an action is brought under section 4918 of the Revised Statutes the court may declare either or both of the patents void, the present statute merely reading that either may be declared void.

Section 13 provides for the appeal fees in cases of appeal in the Patent Office.

Section 14 provides that when any action must be taken or any fee paid within a certain time and that time falls on a Sunday or legal holiday in the District of Columbia the action may be taken or the fee paid on the next business day.

Section 15 sets forth when the act shall take effect and that it shall not affect existing cases unfavorably.

One lawyer has expressed the fear that in providing in lines 16-17, page 2 (sec. 482), that the board of appeals shall have sole power to grant "rehearings," the bill may lessen the present supervisory power of the commissioner, but it was agreed by the other lawyers at the hearing, and the Committee on Patents concurs in this view, that the supervisory power of the commissioner, as it has existed for a number of decades, remains unchanged by the bill.

The present bill effects changes which have been the subject of discussion for over a quarter of a century. As far back as 1900 the then Commissioner Duell (afterwards an associate justice of the court of appeals) recommended that one appeal in the Patent Office should be abolished, and 10 years ago Commissioner Moore endeavored to obtain legislation to accomplish the same purpose.

The bar is now practically agreed upon the present bill, since it is sponsored by the American Bar Association and is supported by the American Patent Law Association, the New York, Chicago, Cleveland, and Boston Patent Associations. It makes the biggest step in simplified procedure in the Patent Office for over 60 years, and your committee believes that the bill should be passed at this session.

69TH CONGRESS, 2nd Session | HOUSE OF REPRESENTATIVES | REPORT No. 1889

AMEND STATUTES AS TO PROCEDURE IN PATENT OFFICE AND COURTS

JANUARY 28, 1927.—Committed to the Committee of the Whole House on the state of the Union and ordered to be printed

MR. PERKINS, from the Committee on Patents, submitted the following

REPORT

[To accompany H. R. 13487]

The Committee on Patents, to which was referred the bill (H. R. 13487) to amend the Statutes of the United States as to procedure in the Patent Office and in the courts, with regard to the granting of letters patent for inventions and with regard to interfering patents, having had the same under consideration, reports it back to the House with certain committee amendments and recommends that the amendments be adopted and that the bill do pass.

The bill is designed to remedy the procedure (a) in the Patent Office and (b) in appeals from the Patent Office.

The procedure on appeals in the Patent Office is antiquated. It was established by an act passed in 1861. At the time this act was passed the procedure was satisfactory to the inventors and manufacturers. The number of applications filed at that time was only 5,000 per year, and the number of appeals about 400 per year. Applications now amount to over 80,000 per annum and appeals to over 2,300.

This antiquated procedure on patents in the Patent Office was from the examiner to (1) appeal to board of examiners in chief; thence (2) to Commissioner of Patents; thence (3) to the Supreme Court of the District of Columbia, by

an act of 1893, changed to the Court of Appeals of the District of Columbia. After these three appeals the defeated party could file a bill in equity under section 4915, and if again defeated could appeal to the circuit court of appeals.

From this recital it will be observed that in patent cases under this antiquated procedure, there are five appeals—practically an unheard-of thing in the courts except in patent cases. The long drawn-out course of appeals permitted by the present procedure, of course, results in delay, expense, and great uncertainty. It fosters appeals by those who can afford them to the disadvantage of those who can not afford to appeal, and in some instances a poor applicant can be delayed through five appeals.

The shortest time in which a case can go through the entire course of patent appeals is from four to five years, the time running approximately as follows: From examiner to board of examiners in chief at least nine months; from examiners in chief to Commissioner of Patents six months; from the commissioner to the Court of Appeals, District of Columbia, from one to one and one-half years; then if a bill in equity, if filed, it may take a year in the District Court, and probably a year up to the time of final decision in the Court of Appeals. Of course, this may be greatly delayed and the time increased indefinitely.

The proposed bill has for its objective the simplification and reduction of the number of appeals. It provides for the creation of a new "Board of appeals" in the Patent Office, consisting of the examiners in chief, the commissioner and assistant commissioners. Applicants may appeal direct from the examiner to this new board of appeals, thus cutting out one appeal in the Patent Office. It then gives the option to the losing party to appeal to the Circuit Court of Appeals of the District of Columbia, or to file a bill in equity under section 4915. If the appeal goes to the Court

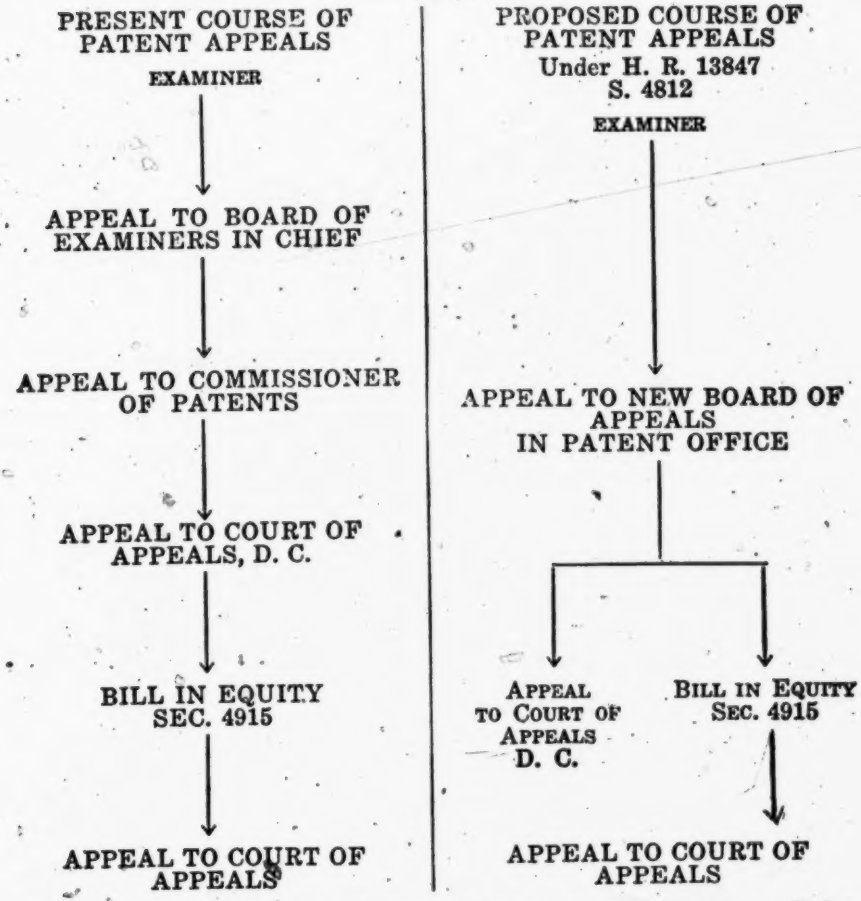
of Appeals and is defeated, the applicant's right to appeal is ended. If on the other hand a bill in equity, if filed, under section 4915, the losing party has preserved his right to again appeal to the Circuit Court of Appeals.

It will thus be seen that under the proposed procedure the defeated party has all the rights and remedies that he had under the old procedure, but the appeals are reduced so that there are but three appeals.

No good reason now exists for the bringing of two appeals in the Patent Office. The appellant has preserved all his rights because the appeal proposed under the new act is to a board consisting of the two appellate tribunals under the old act, namely, the board of examiners in chief, and the Commissioner of Patents.

The following diagram gives in pictorial form the present course of patent appeals and that proposed under the bill in question, H. R. 13487.

PROCEDURE IN PATENT OFFICE AND COURTS



The old procedure was designed to work reasonably well in a time when applications at the Patent Office amounted to a few thousand a year and when appeals were relatively few. At the present time the number of applications for patents every year amount to between 80,000 and 90,000, and the number of appeals to the board of examiners in chief, 1,900, and to the commissioner about 400.

The subject of changing the old procedure has been under discussion for more than 25 years. Some 26 years ago Commissioner Duell, afterwards justice of the Court of Appeals of the District of Columbia, urged that one of the two appeals in the Patent Office should be abolished, and later on Commissioner Moore asked Congress to pass legislation to accomplish the same purpose.

The matter of procedure on appeals has been discussed by the bar again and again and at the present time the bar is almost

unanimous in favor of the present bill, since it is advocated by the American Bar Association, and has been approved by the American Patent Law Association (the National Association of Patent Lawyers with members in over 50 different American cities), as well as the New York, Chicago, Cleveland, and Boston Patent Law Associations.

Taking up the bill section by section:

Section 1 reduces the time that an applicant is given to reply to an official action from one year to six months. Frequently an application is acted upon officially for half a dozen times or more, and if the applicant chooses to delay, the present statutes permit him to wait one year to reply to each official action so that he can purposely delay the issuance of his patent for a number of years. In view of the fact that the term of a patent does not begin to run until the patent actually issues, these delays thus postpone the time when the patent expires. By reducing each period of delay from one year to six months, the delays will, of course, be lessened.

The present act reads:

SEC. 4894. All applications for patents shall be completed and prepared for examination within one year after the filing of the application and in default thereof, or upon failure of the applicant to prosecute the same within one year after any action therein, of which notice shall have been given to the applicant, they shall be regarded as abandoned by the parties thereto. * * *

The proposed act reads as follows:

SEC. 4894. All applications for patents shall be completed and prepared for examination within six months after the filing of the application, and in default thereof, or upon failure of the applicant to prosecute the same within six months after any action therein, of which notice shall have been given to the applicant, they shall be regarded as abandoned by the parties thereto.

Section 2 of the act reads as follows:

SEC. 4897. Any person who has an interest in an invention or discovery whether as inventor, discoverer, or assignee, for which a patent was ordered to issue upon the payment of the final fee, but who fails to make payment thereof within six months from the time at which it was passed and allowed, and notice thereof was sent to the applicant or his agent, shall have a right to make an application for a patent for such invention or discovery the same as in the case of an original application. But such second application must be made within two years after the allowance of the original application. But no person shall be held responsible in damages for the manufacture or use of any article or thing for which a patent was ordered to issue under such renewed application prior to the issue of the patent. And upon the hearing of renewed applications preferred under this section, abandonment shall be considered as a question of fact.

The proposed act changes the words "two years" in line 10 to one year, and strikes out the last sentence, reading as follows:

SEC. 4897. Any person who has an interest in an invention or discovery, whether as inventor, discoverer, or assignee, for which a patent was ordered to issue upon the payment of the final fee, but who fails to make payment thereof within six months from the time at which it was passed and allowed, and notice thereof was sent to the applicant or his agent, shall have a right to make an application for a patent for such invention or discovery the same as in the case of an original application. But such second application must be made within one year after the allowance of the original application. But no person shall be held responsible in damages for the manufacture or use of any article or thing for which a patent was ordered to issue under such renewed application prior to the issue of the patent.

Section 3 strikes out old section 482, which reads as follows:

SEC. 482. The examiners in chief shall be persons of competent legal knowledge and scientific ability, whose duty it shall be, on the written petition of the appellant, to revise and determine upon the validity of the adverse decisions of examiners upon applications for patents, and for reissues of patents, and in interference cases; and when required by the commissioner they shall hear and report upon claims for extensions, and perform such other like duties as he may assign them.

and substitutes a new section 482, which reads as follows:

SEC. 482. The examiners in chief shall be persons of competent legal knowledge and scientific ability. The Commissioner of Patents, the first assistant commissioner, the assistant commissioner, and the examiners in chief shall constitute a board of appeals, whose duty it shall be, on written petition of the appellant, to review and determine upon the validity of the adverse decisions of examiners upon applications for patents and for reissues of patents and in interference cases. Each appeal shall be heard by at least three members of the board of appeals, the members hearing such appeal to be designated by the commissioner. The board of appeals shall have sole power to grant rehearings.

It will be seen that the proposed new section combines the commissioner and his assistant commissioners with the examiners in chief into one board of appeals and reduces the appeals in the Patent Office from two to one. Under the present system it is utterly impossible for the present board of appeals to handle the volume of work which in the last two years has increased from 1,200 to 1,600 appeals per annum.

Section 4 amends old section 4904, which reads as follows:

SEC. 4904. Whenever an application is made for a patent which, in the opinion of the commissioner, would interfere with any pending application, or with any unexpired patent, he shall give notice thereof to the applicants, or applicant and patentee, as the case may be, and shall direct the primary examiner to proceed to determine the question of priority of invention. And the commissioner may issue a patent to the party who is adjudged the prior inventor, unless the adverse party appeals from the decision of the primary examiner, or of the board of examiners in chief, as the case may be, within such time, not less than twenty days, as the commissioner shall prescribe.

The amendment merely strikes out of old section 4904 the words "or of the board of examiners in chief, as the case may be," which elimination is made necessary by the reduction of the number of appeals. The amended section reads as follows:

SEC. 4904. Whenever an application is made for a patent which, in the opinion of the commissioner, would interfere with any pending application, or with any unexpired patent, he shall give notice thereof to the applicants, or applicant and patentee, as the case may be, and shall direct the primary examiner to proceed to determine the question of priority of invention. And the commissioner may issue a patent to the party who is adjudged the prior inventor, unless the adverse party appeals from the decision of the primary examiner, within such time, not less than twenty days, as the commissioner shall prescribe.

Section 5 amends section 4909 of the present act which reads as follows:

SEC. 4909. Every applicant for a patent or for the reissue of a patent, any of the claims of which have been twice rejected, and every party to an interference, may appeal from the decision of the primary examiner, or of the examiner in charge of interferences in such case, to the board of examiners in chief, having once paid the fee for such appeal.

The amendment consists merely in striking out the words "examiners in chief" and substituting the word "appeals" making the appeals to the board of appeals instead of to the board of examiners in chief, as follows:

SEC. 4909. Every applicant for a patent or for the reissue of a patent, any of the claims of which have been twice rejected, and every party to an interference, may appeal from the decision of the primary examiner, or of the examiner in charge of interferences in such case, to the board of appeals; having once paid the fee for such appeal.

Section 6 repeals section 4910 which reads as follows:

SEC. 4910. If such party is dissatisfied with the decision of the examiners in chief, he may, on payment of the fee prescribed, appeal to the commissioner in person.

By reason of the consolidation of the appeals in the Patent Office to one board of appeals section 4910 becomes unnecessary.

Section 7 repeals section 9 of the act of February 9, 1893, which reads as follows:

SEC. 9. That the determination of appeals from the decision of the Commissioner of Patents, now vested in the general term of the Supreme Court of the District of Columbia, in pursuance of the provisions of section seven hundred and eighty of the Revised Statutes of the United States, relating to the District of Columbia, shall hereafter be, and the same is hereby, vested in the court of appeals created by this act; and in addition any party aggrieved by decision of the Commissioner of Patents in any interference case may appeal therefrom to said court of appeals.

The reason for the repeal of this section is that section 4911, which is also amended by this bill, takes the place of this repealed section 9 of the act of 1893.

Section 8 rewrites the present section 4911, which reads as follows:

SEC. 4911. If such party, except a party to an interference, is dissatisfied with the decision of the commissioner, he may appeal to the Supreme Court of the District of Columbia, sitting in banc. (See sec. 9, act of February 9, 1893, post, p. 23.)

The new section 4911 reads as follows:

SEC. 4911. If any applicant is dissatisfied with the decision of the board of appeals, he may appeal to the Court of Appeals of the District of Columbia, in which case he waives his right to proceed under section 4915 of the Revised Statutes. If any party to an interference is dissatisfied with the decision of the board of appeals, he may appeal to the Court of Appeals of the District of Columbia, provided that such appeal shall be dismissed if any adverse party to such interference shall, within twenty days after the appellant shall have filed notice of appeal according to section 4912 of the Revised Statutes, file notice with the Commissioner of Patents that he elects to have all further proceedings conducted as provided in section 4915 of the Revised Statutes. Thereupon the appellant shall have thirty days thereafter within which to file a bill in equity under said section 4915, in default of which the decisions appealed from shall govern the further proceedings in the case. If the appellant shall file such bill within said thirty days and shall file due proof thereof with the Commissioner of Patents, the issue of a patent to the party awarded priority by said board of appeals shall be withheld pending the final determination of said proceeding under said section 4915.

Section 4911 is repealed because the entire section is rewritten under the new act.

Section 9 of the bill amends the present section 4912 which reads as follows:

SEC. 4912. When an appeal is taken to the Supreme Court of the District of Columbia, the appellant shall give notice thereof to the commissioner, and file in the Patent Office, within such time as the commissioner shall appoint, his reasons of appeal, specifically set forth in writing.

The new section 4912 amends the present section 4912 by striking out the words "Supreme Court" and inserting instead thereof "the Court of Appeals" as follows:

SEC. 4912. When an appeal is taken to the Court of Appeals of the District of Columbia, the appellant shall give notice thereof to the commissioner, and file in the Patent Office, within such time as the commissioner shall appoint, his reasons of appeal, specifically set forth in writing.

Section 10 repeals the last sentence of section 4913 because it is obsolete and has not been in operation for the last five decades:

SEC. 4913. The court shall, before hearing such appeal, give notice to the commissioner of the time and place of the hearing, and on receiving such notice the commissioner shall give notice of such time and place, in such manner as the court may prescribe, to all parties who appear to be interested therein. The party appealing shall lay before the court certified copies of all the original papers and evidence in the case, and the commissioner shall furnish the court with the grounds of his decision, fully set forth in writing, touching all the points involved by the reasons of appeal. And at the request

of any party interested, or of the court, the commissioner and the examiners may be examined under oath, in explanation of the principles of the thing for which a patent is demanded.

The amendment strikes out the last sentence, as follows:

SEC. 4913. The court shall, before hearing such appeal, give notice to the commissioner of the time and place of the hearing, and on receiving such notice the commissioner shall give notice of such time and place, in such manner as the court may prescribe, to all parties who appear to be interested therein. The party appealing shall lay before the court certified copies of all the original papers and evidence in the case, and the commissioner shall furnish the court with the grounds of his decision, fully set forth in writing, touching all the points involved by the reasons of appeal.

Section 11. Section 4915 reads as follows:

SEC. 4915. Whenever a patent on application is refused, either by the Commissioner of Patents or by the Supreme Court of the District of Columbia upon appeal from the commissioner, the applicant may have remedy by bill in equity; and the court having cognizance thereof, on notice to adverse parties and other due proceedings had, may adjudge that such applicant is entitled, according to law, to receive a patent for his invention, as specified in his claim, or for any part thereof, as the facts in the case may appear. And such adjudication, if it be in favor of the right of the applicant, shall authorize the commissioner to issue such patent on the applicant filing in the Patent Office a copy of the adjudication, and otherwise complying with the requirements of law. In all cases, where there is no opposing party, a copy of the bill shall be served on the commissioner; and all the expenses of the proceeding shall be paid by the applicant, whether the final decision is in his favor or not.

The proposed section replacing old section 4915 reads as follows:

SEC. 4915. Whenever a patent on application is refused by the Commissioner of Patents, the applicant, unless appeal has been taken from the decision of the board of appeals to the Court of Appeals of the District of Columbia, and such appeal is pending or has been decided, in which case no action may be brought under this section, may have remedy by bill in equity, if filed within six months after such refusal; and the court having cognizance thereof, on notice to adverse parties and other due proceedings had, may adjudge that such applicant is entitled, according to law, to receive a patent for his invention, as specified in his claim, or for any part thereof, as the facts in the case may appear. And such adjudication, if it be in favor of the right of the applicant, shall authorize the commissioner to issue such patent on the applicant filing in the Patent Office a certified copy of the adjudication and otherwise complying with the requirements of law. In all cases where there is no opposing party a copy of the bill shall be served on the commissioner; and all the expenses of the proceeding shall be paid by the applicant, whether the final decision is in his favor or not. In all suits brought hereunder where there are adverse parties the record in the Patent Office shall be admitted in whole or in part, on motion of either party, subject to such terms and conditions as to the costs, expenses, and the further cross-examination of the witnesses as the court may impose, without prejudice, however, to the right of the parties to take further testimony. The testimony and exhibits, or parts thereof, of the records in the Patent Office when admitted shall have the same force and effect as if originally taken and produced in the suit.

Section 12 of the act amends section 4918 by inserting the two words "or both." Section 4819 reads:

SEC. 4918. Whenever there are interfering patents, any person interested in any one of them, or in the working of the invention claimed under either of them, may have relief against the interfering patentee, and all parties interested under him, by suit in equity against the owners of the interfering patent; and the court, on notice to adverse parties, and other due proceedings had according to the course of equity, may adjudge and declare either of the patents void in whole or in part, or inoperative, or invalid in any particular part of the United States, according to the interest of the parties in the patent or the invention patented. But no such judgment or adjudication shall affect the right of any person except the parties to the suit and those deriving title under them subsequent to the rendition of such judgment.

Section 4918, as amended, reads:

SEC. 4918. Whenever there are interfering patents, any person interested in any one of them, or in the working of the invention claimed under either of them, may have relief against the interfering patentee, and all parties interested under him, by suit in equity against the owners of the interfering patent; and the court, on notice to adverse parties, and other due proceedings had according to the course of equity, may adjudge and declare either or both of the patents void in whole or in part, or inoperative, or invalid in any particular part of the United States, according to the interest of the parties in the patent or the invention patented; but no such judgment or adjudication shall affect the right of any person except the parties to the suit and those deriving title under them subsequent to the rendition of such judgment.

The object in amending this section is to enable the court to declare both patents void where it appears to the court that both are void, whereas the old act merely gave the court the right to declare one void.

Section 13 changes the schedule of fees found in section 4934 because there is now to be only one appeal provided in the Patent Office instead of two. The present fees are not sufficient to pay the cost of running the present appeal board, and hence the fees have been increased to $15 for an appeal to the board of appeals in ex parte cases and $25 in interference cases. The present schedule of fees reads as follows:

SEC. 4934. The following shall be the rates for patent fees:

* * * * * *

On an appeal for the first time from the primary examiners to the examiners in chief, $10.

On every appeal from the examiners in chief to the commissioner, $20. * * *

The new schedule of fees reads as follows:

SEC. 4934. The following shall be the rates for patent fees:

* * * * * * *

On an appeal for the first time from the primary examiner to the board of appeals, $15. On every appeal from the examiner of interferences to the board of appeals, $25. * * *

Section 14 is an entirely new section and provides that when the time for taking any action or paying any fee falls on a Sunday, or on a holiday within the District of Columbia, the action may be taken or the fee paid, on the next succeeding secular or business day. This section reads as follows:

SEC. 14. That where the day, or the last day, fixed by statute for taking any action or paying any fee in the United States Patent Office falls on Sunday, or on a holiday within the District of Columbia, the action may be taken, or the fee paid, on the next succeeding secular or business day.

Section 15 states the date when the act shall take effect and provides that it shall not affect existing cases unfavorably.

SEC. 15. That this act shall take effect two months from its approval; but it shall not affect appeals then pending and heard before the examiners in chief or pending before the Commissioner of Patents or in the Court of Appeals of the District of Columbia, and that in all cases in which the time for appeal from a decision of the examiners in chief or of the Commissioner of Patents or for amendment or renewal of application had not expired at the time this act takes effect, appeals and other proceedings may be taken under the statutes in forces at the time of approval of this act as if such statutes had not been amended or repealed.

MR. JUSTICE BLACK DELIVERED THE OPINION OF THE COURT:

The Revenue Act of 1926[1] provides that "No suit . . . shall be maintained *in any court* for the recovery of any internal-revenue tax alleged to have been erroneously or illegally assessed or collected, . . . unless such suit . . . is begun within two years after the disallowance of . . . such claim . . . "

The Tucker Act of March 3, 1887[2] as amended, gives concurrent jurisdiction to the District Courts and the Court of Claims in suits against the United States including those for recovery of erroneous or illegally collected taxes.[3] Section 5 of the Tucker Act requires a plaintiff bringing suit against the government in the District Court to "file a petition, duly verified with the clerk of the respective court having jurisdiction of the case." Section 6 requires "that the plaintiff . . . cause a copy of his petition . . . to be served upon the district attorney . . . , and . . . mail a copy . . . to the Attorney General . . . , and cause to be filed with the clerk of the court . . . affidavit of such service and . . . mailing . . . "

March 22, 1927, the petitioner's claim for tax refund was disallowed. March 21, 1929, *within two years after the disallowance*, a duly verified petition was filed in the District Court claiming the refund. March 25, 1929, two years and four days after the disallowance, the petition was served on the United States Attorney and mailed to the Attorney General.

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[1] c. 27, 44 Stat. 9, § 1113.

[2] c. 359, 24 Stat. 505, 506.

[3] U. S. C. Title 28, § 41 (20), (Judicial Code § 24 (20) as amended).

The District Court held suit was not "begun" by filing the verified petition and dismissed the cause of action.[4] The Court of Appeals affirmed.[5]

It is conceded that suit in the Court of Claims is "begun" when the petition is filed. Yet, it is insisted that suit is not "begun" in the District Court when the petition is filed although the Court of Claims and the District Courts are given concurrent jurisdiction by the Tucker Act. Consideration of the history and language of the statute leads us to a different conclusion.

Section 10 of the Act of March 3, 1863,[6] provides "That every claim against the United States, cognizable by the Court of Claims, shall be forever barred *unless the petition setting forth a statement of the claim be filed . . . within six years after the claim first accrues . . .* "

When the Tucker Act in 1887 greatly expanded the jurisdiction of the Court of Claims and gave District Courts concurrent jurisdiction in *all* cases involving certain amounts, its limitation in *both the Court of Claims and the District Courts* provided:

" . . . no suit against the Government of the United States, shall be allowed under this act unless the same *shall have been brought within six years after the right accrued . . .* "

The substantial rights of claimants are to be governed alike whether suit is brought in the Court of Claims or the District Court. The author of the Tucker Act in declaring the statute of limitations applicable alike "to any or all" of the cases arising under the Act drew no

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[4] 19 F. Supp. 526.
[5] 93 F. (2d) 721.
[6] 12 Stat. 765, 767.

distinction between suits brought in the District Court and in the Court of Claims.[7]

The purpose of giving the District Courts concurrent jurisdiction with the Court of Claims was to provide additional opportunity for the consideration and determination of claims that had "long pressed upon the consideration of Congress"[8] and to permit suit to "be brought in the District where the parties reside."[9] After discussing the benefits of previous legislation creating and extending the jurisdiction of the Court of Claims, the Committee on the Judiciary reported to the House:

"The history of this legislation and its results have been given to show how much of benefit has been done in the satisfactory decisions of claims against the Government and in relief of the Congress. But it has long been felt that the benefits could be made much greater by extending the jurisdiction of the Court. . . . It is needless to say more than has already been intimated as to the general policy of this legislation. The large mass of business now before Congress growing out of private claims consumes its time year after year in committee work, rendered useless by the lack of time to consider and pass upon them. Just claims are painfully deferred without interest, and the credit of the Government, so strictly upheld upon its bonded debt, is justly censured in respect to its honest private claims."[10]

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[7] Congressional Record and Appendix, 49th Cong., 2nd Sess., March 3, p. 2679.

[8] House Report No. 1077, 49th Cong., 1st Sess., by Mr. Tucker on the Tucker Bill.

[9] Congressional Record and Appendix, 49th Cong., 2nd Sess., March 3, p. 2679.

[10] House Rep. No. 1077, *supra*, pp. 3-4.

In response to the needs disclosed by this report Congress passed the Tucker Act, manifestly intending to provide adequate opportunity for expeditious and orderly determination of claims against the Government. This Act not only expanded the jurisdiction of the Court of Claims, but, for the first time, gave District Courts general authority to hear and determine claims against the Government. Relief of existing claim congestion and prevention of future congestion obviously demanded an integrated jurisdictional plan by which the Court of Claims and District Courts could afford equal opportunities for expeditious and fair trials of like claims within the jurisdictional amount of the District Courts. The erection of barriers to recovery in the District Courts which did not exist in the Court of Claims would have tended to defeat the prime objectives of the Act. Uniformity and equality in substantial rights and privileges—for claimants in both forums—were essential features in the system. Distinctions between the opportunities for recovery afforded in the two forums would have tended to mar the symmetry of the plan and to impair its effective and successful operation. As to substantial rights, Congress evidently meant to give claimants an identical status in both Courts where the amount in controversy was included in the jurisdiction of both. We find no support in the background or objective of the Act for a construction under which a claimant's rights would be preserved by filing a petition in the Court of Claims, but would be lost—without additional action—in the District Court.

As said by this Court in *United States* v. *Greathouse*, 166 U.S. 601, 606:

" . . . it was not contemplated that the limitation upon suits against the Government in the District . . . Courts of the United States should be different from that applicable to like suits in the Court of Claims."

As used in this statute the word "begun" should be given its ordinary and accustomed meaning. To begin is to start; to institute; to initiate; to commence. This suit was begun—within two years after the refund claim was disallowed—when the petition was filed in court in good faith. Notice was mailed the Attorney General and the District Attorney was promptly served—both within four days after the verified petition was filed. Under these circumstances, we do not consider what would be the effect of lack of diligence in obtaining service.[11] The judgment in the court below was not in harmony with the views here expressed and is

Reversed.

MR. JUSTICE CARDOZO and MR. JUSTICE REED took no part in the consideration or decision of this case.

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[11] Compare, Linn & Lane Timber Co. v. United States, 236 U.S. 574, 578.

Chase et al. v. *Coe, Com'r. Pats.*, 122 F.2d 128, 49 USPQ 590.

COURT OF APPEALS

FOR THE DISTRICT OF COLUMBIA

No. 7685 Decided May 26, 1941

Before GRONER, *Chief Justice*, and VINSON and EDGERTON, *Associate Justices.*

GRONER, *Chief Justice:*

This is an action brought under R. S. 4915.[1] Appellant George C. Chase was the applicant for a patent. Monroe Calculating Machine Company (the other appellant) is his assignee. The Chase application was involved in an interference with an application of Harold T. Avery. The Patent Office awarded priority to Chase and—as the result of a previous decision of the Court of Customs and Patent Appeals—held against Avery's contention that there was an estoppel against Chase as to the claims in issue. Avery then in turn appealed to the Court of Customs and Patent Appeals. Chase made no objection to the appeal proceedings being conducted in that court and took no action, as he might have done,[2] to have

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[1] 35 U. S. C. A. 63.

[2] . . . If any party to an interference is dissatisfied with the decision of the board of interference examiners, he may appeal to the United States Court of Customs and Patent Appeals, provided that such appeal shall be dismissed if any adverse party to such interference shall, within twenty days after the appellant shall have filed notice of appeal according to section 60 of this title, file notice with the Commissioner of Patents that he elects to have all further proceedings conducted as provided in section 63 [R. S. 4915] . . .

R. S. 4911, as amended by Act of March 2, 1927, c. 273, Sec. 8, 44 Stat. 1336; March 2, 1929, c. 488, Sec. 2, 45 Stat. 1476; Aug. 5, 1939, c. 451, Sec. 3, 53 Stat. 1212; 35 U. S. C. A. 59a.

the appeal dismissed and the challenge of the Patent Office decision heard only in a suit in equity in the District Court under 4915. He was content to have the appeal proceed in the Patent Appeals Court, for on the former appeal, to which we have referred, taken by him to that court—and which arose out of a prior interference on the identical claims in issue here and which involved also the identical legal question in issue in the later appeal —the Patent Court had decided the question in his favor, as the result of which the Patent Office, which had formerly rejected his claims, had held he was entitled to them. On the appeal of Avery from the Patent Office decision, Chase doubtless anticipated that the court would adhere to its former view. But the majority of the court, after elaborate discussion of the point, held the former conclusion to be error, and decided the estoppel question, on which it had first ruled in favor of Chase, this time against him. The Patent Office, under its duty to conform to the court's opinion, thereupon rejected his claims. And so it appears that Chase has twice chosen to have the Court of Customs and Patent Appeals determine his right to a patent on the claims in issue here, first by his direct ex parte appeal, and second, by his failure to exercise his privilege to have Avery's appeal proceed under R. S. 4915. All of which brings us to the question we have to decide, namely, whether in an interference proceeding between two applicants for a patent, the applicant (Chase) who was successful in the Patent Office but unsuccessful in the Court of Patent Appeals, to which the other applicant (Avery) appealed without objection on the part of his opponent,

may thereafter again have the entire question reviewed in a proceeding under R. S. 4915. The District Court held against the right, and dismissed for lack of jurisdiction.

The question is not new, and we had assumed that what we had already said on the subject would be considered as settling the point. For instance, in *Jensen* v. *Lorenz,* 92 F. 2d 992, 68 App. D.C. 39, certiorari denied 302 U.S. 751, we said of R. S. 4911 that,[3] when considered in connection with R. S. 4915,[4] it is evidence of the intention of Congress to require an election by the party as between the two remedies offered to him; the one, an appeal to the Court of Customs and Patent Appeals, the other, a suit in equity under R. S. 4915; and that when an election is made and there is no protest by the adverse party, it is to be final. We said as much in *United States* v. *Coe,* 95 F. 2d 347, 68 App. D.C. 218 and in *Gams* v. *Coe,* 105 F. 2d 46, 70 App. D.C. 167. The Second Circuit in *Bakelite Corporation* v. *National Aniline & Chem. Co.,* 83 F. 2d 176, reached the same conclusion, and there is a further discussion by that court of the problem, though under different circumstances, in *Wettlaufer* v. *Robins,* 92 F. 2d 573, and likewise a review of the legislative history of the several sections,—all of which, we think, confirms the view we have hitherto expressed.

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[3] A party in an interference after an appeal by his adversary to the Court of Customs and Patent Appeals shall have the right to have the appeal dismissed and the proceedings conducted under R. S. 4915.

[4] When a patent is refused, the applicant, "unless appeal has been taken to the United States Court of Customs and Patent Appeals . . . in which case no action may be brought under this section . . ." (R. S. 4915, as amended).

But appellant says that the phrase "all further proceedings" in R. S. 4911 refers only to further proceedings in interference and not to subsequent ex parte prosecutions of the application of either party to the interference. From this stated premise, he deduces the conclusion that his failure at the time of the appeal by his adversary to elect to have "all further proceedings" conducted in accordance with R. S. 4915 does not, after the conclusion of the appeal proceedings, bar him from pursuing his equitable remedy under the latter section. He says also that the Court of Customs and Patent Appeals is merely a part of the administrative machinery of the Patent Office and that its decisions bind only the Office and may be reviewed in an equity court at the instance of the losing party in a proceeding subsequently begun under R. S. 4915. And, finally, he says that in any event his present action is not really an appeal from the decision of the Patent Court but a new and independent proceeding arising out of the refusal of the patent, which the statute provides may be submitted to a District Court on a new record, and that a new and different finding in that court is not a reversal of the decision of the Patent Court.

We have given careful consideration to these theories, and we are of the opinion they cannot be sustained. Both the history of the court review sections of the patent statute and the language of the several sections clearly indicate the purpose of Congress to require a defeated applicant to elect between an appeal to the Court of Customs and Patent Appeals and a suit under R. S. 4915, but in no case to have both. And in an interference case the limitation applies equally to his successful opponent. The latter's right to have the proceedings in equity is preserved by the provision in R. S. 4911 authorizing him to have the appeal dismissed and to require his adversary to resort to R. S. 4915. Nothing could be fairer than this.

In short, the right to appeal to the Court of Customs and Patent Appeals is an optional right, and election to proceed there must be mutual, and where this happens, it confines all further proceedings to that court. If it were otherwise, the obvious purpose of the amendment of 1927,[5] to reduce the number of appeals in patent application cases, would be nullified and litigation would be prolonged beyond reason. And, in addition to this, the jurisdiction of the Court of Customs and Patent Appeals, which includes the power to review decisions of the Patent Office and affirm, modify, or reverse the same (Sec. 194, Judicial Code; R. S. 4914), and to certify its decision to the Commissioner to the end that it shall "govern the further proceedings in the case", would become a shadow without substance or being. And this, we think, was not the purpose Congress had in view.

The ingenious argument of counsel in this respect is well done, but we are unable to find any legal or logical basis on which to sustain it. We think, as we have said in our former opinions, that the decision of the Court of Customs and Patent Appeals, after submission of the case to it without protest, is conclusive as to all the matters adjudicated by it. The anomalous procedure of a new appeal through an equity proceeding never was intended and, as we have already suggested, would defeat the purpose of the 1927 amendments to R. S. 4915, which was to limit resort to that section to cases in which the option to go to the Court of Customs and Patent Appeals had not been availed of.

Affirmed.

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[5] See footnote 2.

Taylor et al. v. *Marzall, Comr. Pats.*, 196 F. 2d 592, 93 USPQ 127

COURT OF APPEALS,
DISTRICT OF COLUMBIA

No. 11141 Decided Apr. 17, 1952

Before EDGERTON, BAZELON and WASHINGTON, *Circuit Judges.*

EDGERTON, *Circuit Judge:*

Appellant Taylor was the successful party in a Patent Office interference proceeding involving one Josserand. Josserand appealed to the Court of Customs and Patent Appeals. That court reversed the Patent Office. *Josserand* v. *Taylor,* 138 F.2d 58, 31 C.C.P.A. (Patents) 709. Taylor afterwards filed in that court a petition, based on newly discovered evidence, which the court said was "in effect a bill of review or an application for leave to file a bill of review in the Patent Office, it being claimed that the party Josserand perpetrated a fraud upon this court in the interference proceeding in which priority of the invention, defined by the count in issue, was awarded to him." *Josserand* v. *Taylor,* 159 F.2d 249-250, 34 C.C.P.A. (Patents) 824. The Court of Customs and Patent Appeals found that Taylor had failed to show "that any fraud was committed by appellant Josserand as to any material issue" in the interference proceeding. 159 F.2d at 256. Accordingly the court denied Taylor's petition.

Taylor filed amended claims in the Patent Office. These claims are plainly not patentable over the claims involved in the interference proceeding, and were rejected. The Patent Office refused to consider the evidence of fraud

offered by Taylor. The District Court dismissed, on the ground of res judicata, appellant's bill in equity subsequently brought under R. S. §4915, 35 U.S.C. § 63, to obtain a patent on the amended claims. We think the court was clearly right.

Josserand's appeal to the Court of Customs and Patent Appeals was taken under R.S. § 4911, 35 U.S.C. § 59a. By the express terms of that section that appeal would have been dismissed if the appellee there, appellant here, had elected "to have all further proceedings, conducted as provided in section 63 of this title", i.e. by a bill in equity in the District Court. By not doing that, the present appellant chose to have the dispute between him and Josserand settled in the forum that Josserand had chosen, which was the Court of Customs and Patent Appeals. It is now too late to choose the District Court. The appellant says that the Court of Customs and Patent Appeals, despite its broad language which we have quoted above, could not consider "intrinsic fraud". However that may be, that court's original decision in Josserand's favor remains in effect. And "The decision of the Court of Customs and Patent Appeals, after submission of the case to it without protest, is conclusive as to all the matters adjudicated by it." *Chase* v. *Coe*, 74 App. D.C. 152, 154, 122 F.2d 198, 200.

Affirmed.